

The Board is authorized to invest idle funds, consistent with the mandates of Idaho Code §33-701(2). To enable the District to properly address the financial obligations of the District, it is necessary to delegate to the Superintendent or designee the authority to manage the investment funds.

**Investment Objectives:**

The following three primary objectives, in order of priority, must be met when investing such funds:

**Safety:** Safety of principal is the foremost objective of the District investment program.

**Liquidity:** Investment portfolio shall be sufficiently liquid to meet all operating and capital expenditures requirements as can be reasonably anticipated.

**Yield:** Return on investments shall be a subordinated goal to safety and liquidity and shall be appropriate to the level of market risk as associated with the securities as defined below in the Authorized Investment Types.

**Standards of Care:**

**Prudence** – the authorized investment manager shall apply the “prudent person” standard to the context of managing the investment types and overall portfolio. The “prudent person” objective is defined as “*A standard that requires that a fiduciary entrusted with funds for investment may invest such funds only in securities that any reasonable individual interested in receiving a good return of income while preserving his or her capital would purchase*”.

**Conflicts of interest** – The authorized investment manager shall refrain from personal activities that could conflict with the proper execution and management of the investment program or that could impair their ability to make impartial decisions. The authorized investment manager shall disclose any potential conflict of interest related to any financial institutions and/or investment portfolios in which the District’s funds are invested.

**Authorized Investment Types:**

The District’s funds may be invested as authorized by Idaho Code §33-701:

1. The Idaho State Local Government Investment Pool (LGIP)
2. United States Government Securities
3. Certificates of Deposit - amount invested subject to review of specific bank risk and levels of FDIC insurance available.
4. Other investments as defined and allowed by section 67-1210 and 67-1210A of the Idaho State Code.

**Management of Investment Funds:**

The Board authorizes the Superintendent, or designee, to manage the District's investments as follows:

1. Deposit the District's idle funds with a financial institution or investment portfolio authorized by Idaho Code.
2. Transfer funds between financial institutions and investment portfolios as appropriate, and consistent with the Board's philosophy.
3. Transfer funds from a financial institution or investment portfolio to the district's checking or savings account as necessary to timely meet the financial obligations of the District.

The Superintendent or designee will be placed under a fidelity bond issued by a surety company authorized to conduct business in the state of Idaho.

**Reporting to Board:**

The Superintendent or designee will provide a monthly written report to the Board regarding any activity in the District's investments. In the event the Superintendent designates another employee to manage the District's investments, the designee will provide a written report of any investment activity to the Superintendent simultaneous with such action.

**LEGAL REFERENCE:**

*Idaho Code Sections*

33-701

33-901

67-1210

**ADOPTED:** August 10, 2004

**AMENDED:** April 13, 2010