

CASH MANAGEMENT AND INVESTMENTS

Strategies for proper cash management and investment of available funds shall be reviewed and evaluated on an annual basis to ensure that investment rules and guidelines expressed in this policy are being followed according to current statutory provisions. The monetary assets of the Terrebonne Parish School Board shall be held in trust by the fiduciary (fiduciaries) designated by the School Board. Cash management and the investment of funds shall be managed by the Superintendent and/or his/her designee.

CASH MANAGEMENT

All aspects of cash management operations shall be designed to ensure the absolute safety and integrity of the School Board's financial assets.

Cash management activities shall be conducted in full compliance with prevailing local, state and federal regulations. Furthermore, such activities shall be designed to adhere to guidelines and standards promulgated by applicable professional organizations.

Operating within appropriately-established administrative and procedural parameters, the School Board shall aggressively pursue optimum financial rewards, while simultaneously controlling its related expenditures. Therefore, cash management functions which engender interaction with outside financial intermediaries shall be conducted in the best financial and administrative interests of the school system. In pursuit of these interests, the School Board shall utilize competitive bidding practices whenever practicable, affording no special financial advantage to any individual or corporate member of the financial or investment community.

The School Board shall authorize the Superintendent and staff to design and enforce written administrative regulations, guidelines, and procedures relating to a variety of cash management issues such as the eligibility or selection of various financial intermediaries, documentation and safekeeping requirements, philosophical and operational aspects of the investment function, and such other functional and administrative aspects of the cash management program, which necessitate standard setting, in pursuit of appropriate prudent, enhanced protection of assets or procedural improvements.

DEPOSITORY BANK

Louisiana statutes require School Boards to select a fiscal agent for purposes of receiving or depositing funds of the School Board. The bank selected as fiscal agent shall be asked to enter into a fiscal agency contract or such other necessary instruments setting forth the duties, responsibilities, and agreements pertaining to said fiscal agency.

The fiscal agency bank, when selected, shall serve for a term as agreed to by the School Board and until its successor shall have been duly selected and qualified, and shall pledge approved securities, as provided for in the fiscal agency contract subject to the regulations

under state law.

PLEDGED SECURITIES

Funds on deposit shall be collateralized in an amount at all times equal to 100% by pledged "approved securities" in accordance with state law to adequately protect the funds of the School Board.

The School Board shall periodically monitor the amount of approved securities to assure that an amount not less than 100% on deposit with the depository bank, less any applicable *Federal Deposit Insurance Corporation* (FDIC) insurance, is pledged.

The bank shall have the right and privilege of substituting approved securities only upon obtaining the prior written approval of the School Board. Such approval may be granted by facsimile transmission. The approved securities shall be valued at their market value.

INVESTMENT OPTIONS

The Terrebonne Parish School Board, in accordance with statutory provisions, may invest any funds which are available for investment and are above the immediate cash requirements of the Board, from whatever source derived, in statutorily sanctioned investments, including the Louisiana Asset Management Pool (LAMP). Types of investments include, but are not limited to, Direct U.S. Treasury obligations, bonds, debentures, notes issued by or guaranteed by federal agencies; bonds, debentures, notes, or other evidence of indebtedness issued by the state of Louisiana or any other state of the United States, or any of the political subdivisions of any state, or by any domestic U.S. corporation, with limited exceptions noted in La. Rev. Stat. Ann. §33:2955; or certificates, or time certificates of deposit in any bank domiciled or having a branch office in Louisiana or any other federally insured investment.

The School Board shall authorize the Superintendent, as treasurer, and/or his/her designee, to invest any surplus funds in whatever type deposit that shall offer the School Board the most favorable rates of interest.

Investments of the School Board shall be guided by the following:

1. Cash management and investment activities shall be conducted in a manner consistent with prudent business practices applied by governmental entities and shall be in compliance with applicable statutes.
2. Funds as determined by the chief financial officer to be in excess of immediate cash requirement shall be invested only in statutorily permitted obligations.
3. Appropriate emphasis in making any investment shall be in the following order:

- A. To ensure safety of the principal amount.
- B. To ensure liquidity of funds to meet all obligations of the School Board.
- C. The yield of the investments.

In no event shall monies be considered available for investment unless and until such funds are determined by the Superintendent or chief financial officer, in the exercise of prudent judgment, to be in excess of the immediate cash requirements of the fund to which the monies are credited. As a criteria in making such a determination, any amount of money exceeding ten thousand dollars which is on demand deposit to the credit of the School Board, or to the credit of any fund and which is not required to meet an obligation for at least forty-five (45) days, or any amount of money exceeding one hundred thousand dollars which is on demand to the credit of the School Board or to the credit of any fund and which is not required to meet an obligation for at least fifteen (15) days shall be construed available for investment.

INTEREST EARNINGS

The interest earned on any such investment shall be credited to the fund from which the investment was acquired or it may be applied to the payment of the principal and interest of the outstanding bonded indebtedness of that fund.

LIQUIDATION OF INVESTMENTS

At any time that may be advisable, the School Board may cash or liquidate any of the investments authorized herein which are purchased for any particular fund. The proceeds of any such liquidation shall be credited to the fund from which the authorized investments were originally purchased.

PROHIBITED TRANSACTIONS

The following arrangements are expressly prohibited:

1. Any transactions not specifically authorized by this policy.
2. The purchase of securities on margin.
3. Direct purchases of single family or commercial mortgages.
4. Purchases of foreign bonds.
5. Collateralized mortgage obligations that have been stripped into interest only or principal only obligations.
6. Inverse floaters, or structured notes. For purposes of this section, *structured*

notes shall mean securities of U.S. Government agencies, instrumentalities, or government-sponsored enterprises which have been restructured, modified, and/or reissued by private entities.

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Ref: La. Rev. Stat. Ann. §§17:99, 33:2955, 39:1211, 39:1212, 39:1219, 39:1221, 39:1222, 39:1223, 39:1225, 39:1226; Board minutes, 2-23-10, 2-10-15.