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**I. PURPOSE**

This policy outlines the laws, rules, and requirements associated with the investment of public dollars by the school. The school plans to comply with all state laws related to investment and to guarantee that investments meet certain primary criteria. This policy applies to all investments of surplus funds of the school, regardless of the fund accounts in which they are maintained.

**II. POLICY**

- A. The Lead School Administrator of the school, or their designee, will be designated as the investment officer for the school.
  - 1. The investment officer is responsible for investment decisions and activities under the direction of the Board.
  - 2. The investment officer shall operate the school investment program consistent with this policy.
  - 3. While the investment officer may delegate certain duties to a designee or designees, the investment officer shall remain responsible for the operation of the program.
- B. All officials and employees that are a part of the investment process shall act professionally and responsibly as custodians of the public trust, and shall refrain from personal business activity that could conflict with the investment program or which could reasonably cause others to question the process and integrity of the investment program.
- C. The investment officer shall exercise the degree of judgment and care, under the circumstances then prevailing, that persons of prudence, discretion, and intelligence would exercise in the judgment of their own affairs, investing not for speculation and considering the probable safety of their capital as well as the probable investment return to be derived from their assets.
- D. The Governing Board shall authorize the investment officer to invest any surplus funds in accordance with relevant statute and the policies outlined in this policy.
  - 1. Surplus funds are those that, in the determination of the investment advisor, are in excess of the immediate cash needs of the school.

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- E. The funds of the school shall be deposited or invested in accordance with this policy, Minnesota statutes, and any applicable state or federal law or administrative rule.
- F. The primary criteria for the investment of the funds of Athlos Academy of St. Cloud, in priority order, are as follows:
1. *Safety and Security.* Safety of principal is the first priority. The investments of Athlos Academy of St. Cloud shall be undertaken in a manner that seeks to ensure the preservation of the capital in the overall investment portfolio.
  2. *Liquidity.* The funds shall be invested to assure that funds are available to meet immediate payment requirements, including payroll, accounts payable, and debt service.
  3. *Return and Yield.* The investments shall be managed in a manner to attain a market rate of return through various economic and budgetary cycles, while preserving and protecting the capital in the investment portfolio and taking into account constraints on risk and cash flow requirements.
- G. The school may invest its funds according to:
1. Minn. Stat. § 118A.04;
  2. Minn. Stat. § 118A.05; and/or
  3. Any other law governing the investment of Athlos Academy of St. Cloud funds.
- H. The investment officer shall invest funds according to the following practices:
1. Limitations on instruments, diversification, and maturity scheduling will depend on whether the funds being invested are considered short-term or long-term funds.
    - a. All funds will normally be considered short-term except those reserved for building construction projects or specific future projects and any unreserved funds used to provide finance-related managerial flexibility for future fiscal years.
  2. The school will diversify its investments to avoid incurring unreasonable risks inherent in over-investing in specific instruments, individual financial institutions, or maturities.
  3. Investment maturities will be scheduled to coincide with projected school cash flow needs, taking into account large routine or scheduled expenditures, as well as anticipated receipt dates of anticipated revenues.
  4. Maturities for short-term and long-term investments will be timed according to anticipated need.

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5. Within the parameters of this section, portfolio maturities will be staggered to avoid undue concentration of assets and a specific maturity sector.
  6. The maturities selected will provide for stability of income and reasonable liquidity.
- I. The interest earned on any investments 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.
- J. At any time that may be advisable, the school may cash or liquidate any of the investments authorized in subsection G.
1. The proceeds of any such liquidation shall be credited to the fund from which the authorized investments were originally purchased.
- K. Athlos Academy of St. Cloud will abide by the following guidelines regarding qualified institutions and broker-dealers.
1. The school shall ensure that all entities in which they invest in are approved under state rules.
  2. Prior to completing an initial transaction with a broker, the school shall provide to the broker a written statement of investment restrictions which shall include a provision that all future investments are to be made in accordance with Minnesota statutes governing the investment of public funds.
  3. The broker must annually acknowledge receipt of the statement of investment restrictions and agree to handle the school's accounts in accordance with these restrictions.
  4. The school may not enter into a transaction with a broker until the broker has provided this annual agreement in writing to the school.
    - a. The notification form to be used shall be prepared by the State Auditor.
  5. A copy of this investment policy, including any amendments thereto, shall be provided to each such broker.
- L. All investment securities purchased by the school will be held in third-party safekeeping by an institution designated as custodial agent.
1. The custodial agent may be any federal reserve bank, any bank authorized under the laws of the United States or any state to exercise corporate trust powers, a primary reporting dealer in United

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States Government securities to the Federal Reserve Bank of New York, or a securities broker-dealer defined in Minn. Stat. § 118A.06.

2. The institution or dealer will issue a safekeeping receipt to Athlos Academy of St. Cloud listing the specific instrument, the name of the issuer, the name in which the security is held, the rate, the maturity, serial numbers and other distinguishing marks, and other pertinent information.
3. Deposit-type securities will be collateralized as required by Minn. Stat. § 118A.03 for any amount exceeding FDIC, SAIF, BIF, FCUA, or other federal deposit coverage.
4. Repurchase agreements will be secured by the physical delivery or transfer against payment of the collateral securities to a third party or custodial agent for safekeeping.
  - a. Athlos Academy of St. Cloud may accept a safekeeping receipt instead of requiring physical delivery or third-party safekeeping of collateral on overnight repurchase agreements of less than \$1,000,000.

M. The Board will annually designate one or more official depositories for Athlos Academy of St. Cloud funds.

1. The Investment office or Designee may also exercise the power of the Governing Board to designate a depository.
  - a. The Board will be provided notice of any such designation at a regular meeting.
2. The school and the depository will each comply with the provisions of Minn. Stat. § 118A.03 and any other applicable law, including any provisions relating to designation of a depository, qualifying institutions, depository bonds, and approval, deposit, assignment, substitution, addition, and withdrawal of collateral.

### Legal References:

[Minn. Stat. § 118A.03](#) (*When and What Collateral Required*)

[Minn. Stat. § 118A.04](#) (*Investments*)

[Minn. Stat. § 118A.05](#) (*Contracts and Agreements*)

[Minn. Stat. § 118A.06](#) (*Safekeeping; Acknowledgements*)