

## **Management and Investment of Funds**

The Agency's funds in excess of current needs shall be invested in compliance with this policy. The goals of the AEA's investment portfolio in order of priority are

- To provide safety of the principal.
- To maintain the necessary liquidity to match expected liabilities.
- To obtain a reasonable rate of return.

In making investments, the Agency shall exercise the care, skill, prudence and diligence under the circumstances then prevailing that a prudent person acting in a like capacity and familiar with such matters would use to meet the goals of the investment program.

Agency funds are monies of the AEA, including general and special revenue funds. General and special revenue funds are reasonably expected to be used during a current budget year or within fifteen months of receipt. When investing general and special revenue funds, the investments must mature within three hundred and ninety-seven days or less. When investing funds other than general and special revenue funds, the investments must mature according to the need for the funds.

The board authorizes the treasurer to invest funds in excess of current needs in the following investments.

- Interest bearing savings and checking accounts at the AEA's authorized depositories.
- Iowa Schools Joint Investment Trust Program (ISJIT).
- Obligations of the United States government, its agencies and instrumentalities.
- Certificates of deposit and other evidences of deposit at federally insured Iowa depository institutions.

It shall be the responsibility of the treasurer to oversee the investment portfolio in compliance with this policy and the law.

It shall be the responsibility of the treasurer to direct investments, to act in a fiduciary capacity, or to perform other services to the board for review and approval.

The treasurer shall be responsible for reporting to and reviewing with the board at its regular meetings the investment portfolio's performance, transaction activity and current investments including the percent of the investment portfolio by type of investment and by issuer and maturities. The report shall also include trend lines by month over the last year and year-to-year trend lines regarding the performance of the investment portfolio. It shall also be the responsibility of the treasurer to obtain the information necessary to ensure that the investments meet the requirements outlined in this policy.

It shall be the responsibility of the Chief Administrator to deliver a copy of this policy to AEA's depositories and auditor.

It shall also be the responsibility of the Chief Administrator, in conjunction with the treasurer, to develop a system of investment practices and internal controls over the investment practices. The investment practices shall be designed to prevent losses, to document the officers and employees responsibility for elements of the investment process and address the capability of the management.

Legal Reference: Iowa Code 11.2; 6:12.62; 12B.10; 12C:22.1; 14:28E.2; 257; 279.29; 283A; 285; 502.701; 633.123 (2007).

Cross Reference: 203.4 Treasurer

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