

## INVESTING

The County Board of Education recognizes that the Superintendent or designee has fiduciary responsibilities and is subject to prudent investor standards for all investment decisions. As such, County Office of Education investments must be made with skill, prudence and diligence, with the primary objective of safeguarding the principal of the funds and with the secondary objective of meeting the County Office of Education's liquidity needs. In order to enhance investment return, the County Office of Education's third investment objective shall be to generate an investment yield that attains or exceeds a market-average rate of return for permitted investments.

In order to achieve the above objectives, the County Board specifies that all funds received or collected from any source shall be deposited in the Monterey County Treasury, except as provided for under the California Education Code.

In accordance with California Education Code 41015, The Monterey County Board of Education authorizes the Superintendent of Schools or his designee to invest as permitted by law, all or part of the special reserve fund of the district or any surplus moneys not required for immediate County Office of Education operations. Such investments shall be limited to securities specified in Government Code 16430, 53601 and 53635.

Moneys received by the County Office of Education for the purposes listed below may be deposited in a bank or other financial institution. Moneys so deposited shall be in a fully insured or collateralized account(s) or instrument(s). Bank accounts maintained outside the County Treasury shall be limited to the following purposes:

- a) Revolving Cash  
Purpose: Emergency transactions for payroll and accounts payable;
- b) Flexible Spending Account Trust Fund  
Purpose: To reimburse employees participating in the Flexible Spending Account program for eligible expenses in accordance with IRS regulations.
- c) Proceeds from Tax Revenue Anticipation Notes or Reserve Accounts associated with Certificate of Participation financing programs

Purpose: To provide a source of cash for the  
County Office and District use during  
temporary periods of revenue shortfall.

The Board recognizes the importance of overseeing investments made with County Office funds, including investments by the county treasurer. The Superintendent or designee shall serve as a member of the County Treasury Oversight Committee and shall keep the Board well informed about the policies that guide the investment of these funds.

The Superintendent or designee shall annually provide to the Board a report of the County Office of Education's investments. At a public meeting, the Board shall review this policy and discuss any changes to be made. In accordance with the law and administrative regulations, the Superintendent or designee shall also provide the Board quarterly investment reports with specific components, including a statement of how the County Office portfolio compares with the County Office's investment policy. (Government Code 53646)

Legal Reference: Education Code 41001-3, 41015-18, and 2840-43

Government Code 16430, 27130-37, 53600-09, 53635, 53646

Civil Code 2261-62

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