

**INVESTMENTS**

AP No. 6320
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- I. The Superintendent/President and Vice President Finance and Business are responsible for investing the funds of the District that are not required for the immediate needs of the District. Funds so invested shall follow the investment procedure approved by the governing board in accordance with the Government Code:
  - A. The preservation of principal is of primary importance. Each transaction shall seek to ensure that capital losses are avoided, whether from securities or erosion of market value.
  - B. The investment program should remain sufficiently flexible to enable the District to meet all operating requirements that may be reasonably anticipated in any fund. After preservation of principal, liquidity is the objective.
  - C. In managing District investments, District officials should avoid any transactions that might impair public confidence.
  - D. Investments should be made with precision and care, considering the probable safety of the capital as well as the probable income to be derived. (See Government Code Section 53600.6 regarding solvency and creditworthiness).
  - E. Funds that are not required for the immediate needs of the District shall be prudently invested in order to earn a return on such investment.
- II. The Superintendent/President or his/her designee is responsible for ensuring that funds that are not required for the immediate needs of the District are invested as follows:
  - A. County Treasurer's Investment Pool - Investment of District funds may be delegated to the County Treasurer. In accordance with county procedures, District funds may be pooled with other local agencies and invested by the County Treasurer in accordance with the investment guidelines specified by Government Code 53635 and investment policies adopted by the County Board of Supervisors.
  - B. State's Local Agency Investment Fund (Government Code Sections 16429.1-16429.3). District funds not required for immediate needs of the District may be remitted to the State Local Agency Investment Fund (LAIF) for the purpose of investment (Government Code 16429.1). District funds deposited with the LAIF shall be invested by the State Treasurer in securities prescribed by Government Code

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- 16430, or the Surplus Money Investment Fund and as determined by the Local Investment Advisory Board (Government Code 16429.2)
- C. Other Investments - Other investments as permitted by Government Code Section 53600 et seq., and in particular Government Code sections 53601 and 53635,\* may be made by Vice President Finance and Business subject to prior approval of the governing board for District General Fund.
- III. The request to invest or liquidate provided to the Los Angeles Treasurer by the District representative(s) shall be considered an order of the Governing Board for the purposes of County Superintendent of Schools/Auditor Controller processing requirements.
- IV. The Board of Trustees authorizes investments of District funds by the Los Angeles Treasurer in the following manner:
- A. The Los Angeles County Treasurer is authorized to make the investment of District funds following authorization by the District representative.
- B. Notice of the investment or liquidation, transmitted by the Los Angeles County Treasurer to the Auditor Controller/County Superintendent of Schools shall be sufficient authority for the accounting of the investment, interest earned, and any fund/account transfer.
- C. The Los Angeles County Treasurer, upon direction of the County Superintendent of Schools, Division of School Financial Services, is authorized to liquidate any District investment, and deposit such amount within District fund or account from which the investment was made.
- D. An original investment may be reinvested under the same terms and conditions.
- E. No funds may be invested during a period in which the Treasurer has made cash loans for temporary borrowing purposes.
- V. Reference:
- Government Code Section 53600 et. seq.