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**SECTION 1            BOARD ORGANIZATION**

**1.1    SCOPE    (September, 2001)**

The board of education and the schools of the district shall meet the requirements specified in the state and federal constitutions, in the legislative enactments, in the court decisions, in the opinions of the Attorney General, and in the rules and regulations of the state department of education. As an individual, a board member has no legal authority to bind the board since the law assigns powers, and duties, and responsibilities to the school board as a whole.

The school district agrees that it shall defend, hold harmless, and indemnify the board of education members from any and all demands, claims, suits, actions, and legal proceedings brought against the board of education members in their official capacities regarding board related duties and responsibilities, provided the incident arose while the board member was acting within the scope of his/her elected position.

**1.2    Functions of the Board of Education**

**1.21            Agency of the State    (September, 2001)**

The board of education is an agency of the state. All powers it possesses must be delegated to it by the legislature of the state. All its acts must conform to law.

**1.22            Responsibility of Providing Educational Opportunities**

(September, 2001)

The board of education is charged by the state with the responsibility of providing educational opportunities for the children of its school district, and of directing those public school activities which the state entrusts to its care. In fulfilling those obligations and meeting the responsibilities the board recognizes its chief functions are to determine policies and evaluate results.

**1.23            Individual Members    (September, 2001)**

Individual members of the board of education have power and authority only when acting formally as members of the board when it is in session or when entrusted by the board with specific and definite responsibilities.

**1.24**            **Board Members' Expenses**    (September, 2001)

It shall be the policy of the board of education to pay board members' expenses to state and national conventions when it is in the good interest of the school district.

When remuneration is provided under these guidelines, the district may advance monies to each person for expenses, providing advances made are settled within two weeks following the meeting, or future advances will be denied. The district may make payments directly to providers for major items of expense such as transportation, lodging and conference registration fees.

**1.25**            **Roberts Rules of Order**    (September, 2001)

The board of education shall adopt Roberts Rules of Order for procedure at board meetings, where such rules do not conflict with federal, state or local laws or the policies, rules and regulations of the board of education.

**1.26**            **Board Member Development Opportunities**    (July, 1992)

In recognition of the need for continuing in-service training and development for its members and in order to enhance the quality and effectiveness of public school governance in our community, the board encourages the participation of its members in appropriate conferences, workshops, conventions and seminars. Planning sessions are an essential part of school board member development.

Funds for participation at such meetings will be budgeted for on an annual basis. Reimbursement to board members for their travel expenses will be in accordance with the travel expense policy.

The board president shall have the power to authorize board members to attend such meetings at board expense.

When an approved meeting is not attended by the full board, those who do participate will be requested to share information, recommendations and materials acquired at the meeting.

1.27 **Nepotism** (August, 1991)

The board shall not employ one of its members nor shall it employ any person who is related within the first degree to any board member, either by consanguinity or affinity.

The board shall not employ any person related to any board member from the second to the fourth degree, either by consanguinity or affinity, where the vote of the related board member is necessary to the selection of that person. Those relatives of a board member or board member's spouse affected by this provision shall be grandchildren; great-grandchildren; great-great-grandchildren; brothers and sisters; nephews and nieces; grandnephews and nieces; uncles and aunts; great uncles and aunts; grandparents; great-grandparents; great-great-grandparents; and first cousins.

1.28 **Code of Ethics for Members of the Blue Springs Board of Education** (October, 1996)

While serving on the Blue Springs Board of Education members will accept the responsibility to improve public education. To do that they will:

Remember that the first and greatest concern must be the educational welfare of all students attending the public schools;

Obey the laws of Missouri and the United States;

Recognize that as an individual board member they have no authority to speak or act for the board;

Work with other members to establish effective board policies;

Delegate authority for the administration of the schools to the superintendent and staff;

Encourage ongoing communications among board members, the board, students, staff and the community;

Render all decisions based on the available facts and an independent judgment rather than succumbing to the influence of individuals or special interest groups;

Make every effort to attend all board meetings;

1.28 (continued)

Become informed concerning the issues to be considered at each meeting;

Improve boardsmanship by studying educational issues and by participating in in-service programs;

Support the employment of staff members based on qualifications and not as a result of influence;

Cooperate with other board members and administrators to establish a system of regular and impartial evaluations of all staff;

Avoid conflicts of interest or the appearance thereof;

Refrain from using board position for the benefit of self, family members, or business associates;

Express personal opinions, but once the board has acted, accept the will of the majority;

Refrain from divulging confidential information presented during closed sessions except when required by law.

1.3 Annual Organization

1.31 Election of Directors (November, 2005)

The qualified voters of the school district, shall annually, on the municipal election day, the first Tuesday after the first Monday of April, elect two directors, who are citizens of the United States, resident taxpayers of the district, and who shall have resided in this state for one year, next preceding their election or appointment, and who are at least twenty-four years of age, and who have never been found guilty of or pled guilty to a felony or misdemeanor under the federal laws of the United States, and shall hold their office for three years and until their successors are duly elected and qualified and all vacancies on the board shall be filled for the unexpired term. Sec. 162.291 (RSMo 1969) Two members shall be elected annually except at the first election after January 1, 1993, and each three years thereafter, three members of the school board shall be elected. Sec. 162.459 (RSMo 1992)

1.31 (continued)

The opening date for filing a declaration of candidacy for the R-IV Board of Education shall be 8:00 a.m., the sixteenth Tuesday prior to the election, with the closing date for such filings, and the date for candidacy withdrawal, being 5:00 p.m., the eleventh Tuesday prior to the election. The names of qualified candidates shall be placed on the ballot in order of filing.(Sec. 115.127 RSMo)

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1.32 **Organization of the Board of Education** (November, 2003)

According to 162.301 RSMo the board shall meet within (14) days after the annual election. At that time the newly elected members shall be qualified and the board organized by the election of a president and vice-president and the board shall on or before the fifteenth day of July each year, elect a secretary and treasurer, who shall enter upon their respective duties on the fifteenth day of July; said secretary and treasurer may or may not be members of the board. Sec.162.301(RSMo 1969). The secretary and treasurer of the board will be elected at the same time as the president and vice-president but the secretary and treasurer will not take office until July 15.

1.32.1 **New Board Member Orientation Program**

(April, 2001)

The board of education considers it important that a new member be knowledgeable about school finance, governance and operations, and, insofar as possible, prepared to discuss and cast informed votes on matters before the board from the time the new member is sworn into office. The board of education and the district staff shall assist each new member-elect to understand the board's functions and its policies and procedures.

### 1.32.1 (continued)

The new board members shall meet with the president of the board along with each member of the board individually over a course of not more than six (6) weeks to discuss all aspects of being a member of the Blue Springs School District Board of Education. This will enable the new member to get acquainted with each board member personally in a one-on-one discussion and to be an informed participant in matters presently facing the board of education. Topics covered will include but not be limited to explaining key parts of the board agenda, explaining work sessions, and communication with the superintendent, and incorporating board certification. The President of the Board of Education will assign a board member to act as mentor to newly elected members in their first year of service.

The superintendent (or designee) will introduce the new members to school district central office administrators of each department. At least one hour of time will be scheduled for the new members to visit with the head of each department to become familiar with the workings of each division of administrative services. The new member will also be scheduled to visit several of the school buildings and associated plant facilities. The Assistant Superintendent - Administration will provide the new members with a map of the Administrative Services office departments and schools as needed. At a minimum, the new members should tour the transportation center, one high school, one middle school, one elementary school, and Valley View High School.

Each new board member shall be given an orientation program under the direction of the superintendent. Included shall be an updated copy of the Policies and Procedures of the Blue Springs School District, the budget, the latest annual report, and such other documents, as the superintendent deems essential to the operations of the district. The superintendent shall set aside such time as is necessary to answer any questions arising from the study of these documents, and shall cooperate fully in

1.32.1 (continued)

assisting the new member to become an informed and active board member.

Within one year of their election or appointment, new board members will complete at least 16 hours of orientation and training in a program presented by the Missouri School Boards Association or approved by the State Board of Education.

1.34 **Duties of Officers**

1.34.1 **President** (September, 2001)

The duties of the president shall be as follows:

To preside when present at all board meetings.

To appoint special committees of the board when so ordered by the board.

To sign all minutes, warrant checks, and contracts approved and ordered by the board.

To call special meetings of the board.

To perform any other duty formally allocated to him/her by the board or by legislative enactment.

1.34.2 **Vice-President** (September, 2001)

In the absence of the president or his/her refusal to act, the vice-president shall preside and shall fulfill the functions of the office of president.

1.34.3 **Secretary** (December, 2003)

The duties of the secretary shall be as follows:

To keep, or delegate the responsibility of keeping, a complete and accurate record of all procedures of all regular and special meetings of the board of education and serve as the Custodian of Records.

### 1.34.3 (continued)

To post all notices as required by law or when duly ordered by the board.

To make an annual report to the county clerk and the state commissioner of education on or before August 15 of each year. Sec. 162.081 (RSMo 1969)

To file application for state school money with the department of elementary and secondary education not later than June 30. Sec. 163.081 (RSMo 1963)

To prepare and file an estimate of the amount of school monies needed for the ensuing year with the county clerk, on or before the first of September. Sec. 164.011 (RSMo 1987)

To issue all other reports and documents when duly ordered by the board or required by law.

To be present at all regular and special meetings of the board.

To sign all official documents, orders, and reports when required.

To receive official correspondence addressed to the secretary and make arrangements for placing it on the board agenda if board action is needed.

To delegate a person to officially keep legal custody of the seal of the district.

To call the meeting to order at which time a president pro tempore shall be chosen in the absence of both the president and vice-president.

### 1.34.4 **Treasurer** (July, 1997)

It shall be the duty of the treasurer, or the delegated representative, to:

Act as custodian of all school monies derived from taxation for school purposes. Monies received by the treasurer are to be deposited in the depository designated by the board as soon after receiving said money as possible.

1.34.4 (continued)

Keep complete, accurate, and legal records of all monies collected and expended.

Pay out money by procedure outlined by the board of education and to delegate authority to an employee or employees of the district to sign checks with facsimile signatures of the president and treasurer, if the amount is less than \$10,000. On expenditures of \$10,000 or more, checks must be signed by the president or treasurer of the board of education except expenditures for payment of district utility costs.

The treasurer, or the delegated representative, shall furnish at the beginning of each month a statement of receipts and disbursements of the preceding month and at the end of the fiscal year shall make to the board a full and comprehensive report of its financial affairs for the preceding year. Sec. 165.101(RSMo 1969)

The treasurer, or the delegated representative, shall furnish surety bond, as required by the board, the cost of the bond to be borne by the district.

According to a ruling of the Attorney General, the board will follow the rule which is as follows: "Monies from all other sources, according to the Attorney General's ruling stating that revenue derived from school sponsored athletic and dramatic events are also funds of the school district which must be disbursed in accordance with section 164.110, supra, makes further directions as to the funds into which revenue derived from certain specified sources shall be placed. It then provides that money received from any other source whatsoever shall be placed to the credit of the fund or funds designated by the board as soon after receiving said money as possible." The treasurer will coordinate with the superintendent investment of school monies.

#### 1.4 Committees

##### 1.41 Standing Committees (September, 2001)

There shall be no standing committees of the board of education.

##### 1.42 Special Committees (September, 2001)

The president may develop special committees with the consent of the board and appoint members to serve on such committees. Such committees shall be dissolved when the purpose for which they were appointed has been fulfilled.

##### 1.43 Citizens Advisory Committee (January, 1997)

Annually, a citizens advisory committee shall be established and shall meet at least once during the school year. Membership of this committee shall be determined according to the guidelines contained in **Appendix 1(1)** of this policy. This committee shall serve the board of education in an advisory capacity with the board having the final authority in the consideration of any recommendations developed by the committee.

#### 1.5 Meetings (August, 2003)

The Board of Education of Reorganized School District No. 4 shall meet in regular sessions throughout the year to transact such business as deemed necessary for the smooth operation of the school district.

All regular meetings of the board shall be held at the Board of Education Building, 1801 NW Vesper, Blue Springs, Missouri, unless otherwise specified in the publicized notice of the meetings. Unless a monthly board meeting is cancelled and/or changed as to time and/or location and/or date by the Board of Education, regular meetings of the board of education shall be held on the second Monday of each month. The hour of the meeting shall be 6:15 p.m. Work sessions for the purpose of review of school matters shall be the first Monday of each month at 6:00 p.m. at the same location. However, following board consultation, work sessions may be cancelled in advance by the superintendent.

Public notice of the time, date, place and tentative agenda for each meeting will be posted as provided in RSMo 610.020. It shall be the duty of the board secretary to implement this policy.

All meetings of the board of education shall be open to the public and press, except closed sessions as authorized by law.

1.51

Release of Information (October, 1998)

The Blue Springs R-IV School District believes that local control of public education is best served when the patrons of the district and other members of the public have access to the meetings, records and votes of the board of education. RSMo 610.010 excludes from public record any internal memorandum or letter prepared for a school board member aiding in the decision-making process, unless this record is presented at a school board meeting. The following provisions shall govern the release of information concerning the meetings, records and votes of the board.

1. In limited situations, important considerations of public policy require meetings of the board, including any record or vote, to be closed to the public. Meetings, records and votes shall only be provided as per RSMo 610.021-610.026.
2. The board shall appoint a custodian of records who will be responsible for responding to requests for records of the board. Requests for records should be directed to the custodian, whose identity will be made available on request.
3. The custodian of the records of the Blue Springs R-IV School District shall be the secretary of the board of education and shall:
  - (1) Respond to each request for inspection or copying as soon as possible, but no later than 72 hours following the date the request is received by the custodian, the 72-hour requirement may be exceeded for reasonable cause;
  - (2) Give a detailed explanation of the cause for delay and the place and earliest time and date the record will be available if access is not granted immediately; and
  - (3) If access is denied, upon request provide a written statement of specific statutory grounds for such denial no later than 72 hours following the date that the request for the statement is received.

1.51 (continued)

4. The board may prescribe reasonable fees for providing access to or furnishing copies of public records, subject to the following:
  - (1) Copying fees shall not exceed actual costs of document search and duplication. Copies may be furnished free or at a reduced rate if the board determines that it is in the public interest because it is likely to contribute to public understanding of the operations or activities of the district and is not primarily based on commercial interests;
  - (2) Fees for providing access to computer records, tapes, discs, videos, films or similar items shall include only the cost of staff time and copy costs; and
  - (3) Copy fees may be requested prior to copying.

1.6 Procedure

1.61 Quorum (September, 2001)

A quorum shall consist of four members of the board of education, meeting at the designated time and place.

1.62 Majority Vote (September, 2001)

In accordance with RSMo 162.301, no contract shall be let, teacher employed, bill approved, or warrant ordered unless a majority of the whole board shall vote in favor of such action.

1.63 Recommended Agenda (April, 2001)

The following items of business will be considered if the need exists. The order of consideration and additional items shall be at the discretion of the superintendent, secretary and/or board of education:

- (1) Call to Order, Pledge of Allegiance and Roll Call
- (2) Remarks by Board Members
- (3) Superintendent's Update
- (4) Approval of Consent Agenda (Including Minutes & Bills)
- (5) Adoption of Regular Agenda

1.63 (continued)

- (6) Guests
- (7) Report of Superintendent
- (8) Unfinished Business
- (9) Administrative Accountability
- (10) Request of District Citizens For Presentation
  - (a) Citizens of the district who wish to present a matter of business regarding the schools should complete a form **See Appendix 1(2)** stating their name, address and topic of discussion and present it to the president of the board of education or the superintendent of schools prior to the beginning of the meeting. Issues of personnel including, but not limited to, employment, supervision, evaluation, career ladder and termination of staff, are not appropriate and shall not be presented during the district citizen presentation. Patrons shall state their name and address at the time of presentation, to be included in the board minutes, and may proceed to speak upon the invitation of the president of the board. The president shall allow a citizen of the district not more than five (5) minutes for his or her presentation unless the time is increased or decreased by the majority of the board. Only four citizens may address the board regarding the same subject. No response will be given from the board at that time.
  - (b) Citizens of the district who wish to have a matter of business regarding the schools placed on the formal agenda shall make a request to the secretary of the board of education or the superintendent of schools fourteen (14) calendar days prior to the meeting. A citizen placed on the formal agenda shall be allowed not more than ten (10) minutes for his or her presentation unless the time is increased or decreased by the majority of the board. Issues of personnel including, but not limited to, employment, supervision, evaluation, career ladder and termination of staff are not appropriate for discussion at an open board meeting.
- (11) New Business

1.64 **Executive Sessions** (October, 1998)

The board reserves the right, as provided by law to conduct closed meetings, including any records or votes, to the extent that they relate to:

1. Legal actions, including the district's work product and confidential communications between the board and its attorney. Any vote relating to litigation shall become available to the public following final disposition of the matter voted upon.
2. The lease, purchase or sale of real estate where public knowledge might adversely affect the amount of money to be received or spent by the district. Any vote or public record approving such a contract shall become available to the public within 72 hours after execution of the transaction.
3. Actions relating to the hiring, firing, disciplining or promotion of a district employee. Any vote on a final decision to hire, fire, promote or discipline must be made available to the public within 72 hours of the close of the meeting. The affected employee shall be given prompt notice of the decision during the 72 hour period and before the decision is made available to the public.
4. Proceedings involving the mental or physical health of an identifiable individual.
5. Scholastic probation, expulsion, or graduation of identifiable persons, including records of individual graduation scores.
6. Preparations for negotiations with employees and employee representatives, including any work product of the board.
7. Software codes.
8. Testing and examination materials until given for the final time.
9. Competitive bidding specifications until officially approved or published.
10. Sealed bids until the earlier of the time all are opened or all are accepted or rejected.

1.64 (continued)

11. Personnel records from which individuals can be identified, valuations, or records pertaining to employees or applicants for employment, but the names, positions, salaries and lengths of service of persons employed shall always be available to the public.
12. Records protected from disclosure by law.

Before any meeting, record or vote of the board may be closed, a majority of a quorum of the board shall so vote. The reason for holding the closed meeting, record, or vote with reference to the specific statutory exemption relied on for closure and the roll call vote of each member on the question of holding a closed meeting, record or vote, shall be announced publicly at an open session and entered into the minutes. All votes taken during a closed meeting shall be taken by roll call. Only business directly related to the specific exemptions may be discussed or voted at a closed meeting. Public notice of the closed meeting, record, or vote shall be posted as provided in RSMo 610.020. The notice shall include the specific statutory exception under which the meeting will be closed, and the agenda shall include the closed session.

A separate minute book used solely for the purpose of executive sessions shall be used to record the minutes. Under such circumstances, the board members and others in attendance are honor-bound not to disclose the details or discussions of the executive session.

The superintendent or designated representative shall attend all executive sessions except those pertaining to the superintendent's employment.

1.65 **Public Information** (September, 2001)

After adjournment, the superintendent shall be responsible to give to the press or interested parties, those news releases in keeping with the best interest of the school and the school's public relations program.

1.66 **Lifetime Passes** (September, 2001)

All retiring school board members shall receive a lifetime free pass to all school activities for the services they have rendered as school board members.

## 1.7 Policies of the Board of Education

### 1.71 Distribution (January, 2010)

The policies of the Blue Springs Board of Education shall be available to employees through the internet. Every employee of the school district shall be provided information at the time of employment regarding procedures to be used to access these policies. Receipt of that information shall be acknowledged by signature of the employee on the receipt form provided.

### 1.72 Policy Review (September, 2001)

The board of education is charged by the state with the responsibility of providing educational opportunities for the children of its school district, and of directing those public school activities which the state entrusts to its care. In fulfilling those obligations and meeting the responsibilities the board recognizes its chief functions are to: (1) determine policies, and (2) evaluate results of those policies.

The board of education, as a whole, will review policy sections, or specific policies, on an ongoing, and as needed basis.

The board of education welcomes suggested policy revisions from the site-based councils, departments, staff members, administrators, students, parents and patrons. Such policy revision recommendations may be made by submitting the revision to the secretary of the board of education on the prescribed form. **See Appendix 1(3)** Any suggested revisions will be presented to the board of education for consideration. Notification of the review of specific policies or policy sections shall be given through the appropriate interdistrict publication far enough in advance to allow for input from any interested parties and/or presented to the Board Policy Committee of the Community Educators' Association for review.

Amendments to the policies shall be made as per section 1.73.

### 1.73 Amendments (September, 2001)

School District rules and regulations may be altered or amended at any regular meeting by a majority vote of the board, provided that notice of the proposed action shall have been given at the last regular meeting and made a part of the minutes of said meeting, or provided a written notice of the proposed amendment is mailed to each board member through the superintendent's office at

1.73 (continued)

least ten (10) days before a regular meeting or a legally called special meeting except in cases where the public morale, health, safety or interest may make a shorter time reasonable.

1.8 **Budget** (May, 1990)

There shall be preliminary and final budget meetings as established each year by the board and superintendent. The superintendent shall prepare and present the preliminary budget.

1.9 **Financial Accounting**

1.91 **Fiscal Accounting and Reporting/Accounting System**

(May, 1999)

The superintendent shall be responsible for implementing the financial accounting system adopted by the board. The district's accounting system will provide an accurate record of all financial transactions completed by the district. The accounting system shall conform to requirements established by state statutes and regulations of the Missouri Department of Elementary and Secondary Education, based on Handbook II, Revised, and as modified by the Missouri Financial Accounting Manual, Revised.

The superintendent, or his/her designee, shall be responsible for receiving and properly accounting for all funds of the school district. As specified in state law, the board of education shall establish funds for the accounting of all school moneys in the district. The treasurer of the district shall open an account for each fund, and all moneys received by the district shall be deposited in the appropriate fund account. All financial transactions shall be recorded in the revenue and expenditure records, and appropriate entries from the adopted budget shall be made in the records for the respective funds.

The board shall receive monthly financial statements from the superintendent, or his/her designee, showing the financial condition of the district. In addition, other financial statements determined necessary by either the board or the superintendent shall be presented to the board for review. The superintendent shall also be responsible for pupil-related accounting and shall file

1.91 (continued)

enrollment, attendance, food service and transportation reports as required by the Missouri Department of Elementary and Secondary Education.

1.92 **Purchasing**

1.92.1 **Purchase Orders** (March, 2003)

Purchasing of supplies and materials shall be made on the basis of a written purchase order signed by the assistant superintendent in charge of business or his/her designee. The district shall not be liable for purchases made in any other manner.

Individuals or vendors shall be prohibited from selling items on school property without prior approval of an administrator.

Procedures for the use of electronic generated purchase orders shall be designated by the business office. All payment authorizations for purchase shall be signed by the assistant superintendent in charge of business or his/her designee.

**1.92.2 Competitive Bids-Supplies, Equipment, or Services** (January, 2006)

All contracts for the construction of facilities (see 1.92.2.1), textbooks (see 1.92.2.2) and insurance, bank depository services (165.211RSMo) and other products or services shall be bid as required by law and as specified in board policies.

*Contracts/Purchases/Services up to \$5,000* - No bids are required to contract for the purchase of supplies, equipment or services up to \$5,000.

*Contracts/Purchases/Services over \$5,000* - At least three (3) written bids shall be obtained where the amount estimated to contract for the purchase of supplies, equipment or services is over \$5,000.

*Approval of Bids* - For bids \$5,000 to \$15,000, the superintendent or his/her designee is authorized to approve and accept bids. If bids exceed \$15,000, the bids shall be submitted to the board for review and approval at the next regular meeting.

*Emergency Situations* - In emergency situations where the superintendent determines that there is an immediate concern he/she may contract to purchase supplies, equipment or services to address emergency situations without obtaining bids. The superintendent shall obtain the approval of the board president, or other officer if the president is unavailable, prior to contracting for the purchase of supplies, equipment or services to address emergency situations.

*Specifications and Bids* - Bid specifications shall state the date, time, and place at which particular bids will be opened. Bids calling for a given manufacturer's item by catalog or model number shall expressly state that item or its approved equal. Bids shall be awarded to the lowest and best responsible bidder complying with the terms of the specifications, provided however that the school district shall have the right to reject any and all bids. All specifications, bidding and notifications to successful bidders shall be prepared by the business office as authorized by the director or assistant superintendent of the office.

1.92.2 (continued)

*Local Merchants and Bids* - Local merchants will be given preference if a local merchant is not the low bidder, but his/her bid is within five percent (5%) of the low bid. A local merchant is defined as one with a business or a branch of his/her business located within the boundaries of the R-IV School District. The local merchant with the lowest bid within the five percent (5%) range will be given the opportunity to match the low bid provided the quality of the product or service is equal to the specifications. If this local merchant declines the opportunity to match the low bid, the next lowest local merchant within the five percent (5%) range will have the option to match the low bid. This procedure will continue with each local merchant until one chooses to match the bid or until all have declined the opportunity. The procedure shall apply to bids under the amount of \$25,000.

*Cooperative Purchasing* - The Board endorses the concept of centralized purchasing and authorizes the superintendent or designee to supervise the purchasing of all supplies, equipment and materials for the school district in accordance with state law and good purchasing practices.

Cooperative purchasing through state agencies, in combination with other schools through the Missouri School Boards' Association or other not-for-profit entities may be considered when it is deemed to be in the financial advantage of the school district. (171.181, 393.310 RSMo)

The Board may utilize a program or programs from time to time to purchase services or supplies on a bulk basis or pursuant to a procurement program that includes the use of electronic or commercial card systems with a goal toward increasing efficiency and reducing administrative costs. The superintendent or designee shall develop, as part of the district's purchasing procedures and guidelines, a procedure or guideline for the use and implementation of electronic, commercial or procurement card programs.

Rev. 3/03, 1/06

#### **1.92.2.1 Competitive Bids - Construction**

(November, 2003)

Authorization for the construction of facilities that exceeds \$15,000.00 shall publicly be advertised as per 177.086, RSMo 1965, and having properly followed the law, the board, in the exercise of sound discretion, may reject any and all bids and may proceed with construction under its own supervision and control without contracting. Items used in construction must be bid in accordance with section 1.92.2, Competitive Bids.

A responsible bidder is one who has the capability and the willingness, including not only cash and equipment, but also the reputation necessary to bring about project completion. The architect and/or superintendent have the authority to determine responsibility of each bidder on a project.

#### **1.92.2.2 Purchase of Textbooks**

(September, 2001)

Purchasing of textbooks shall be conducted in accordance with the textbook selection procedures approved by the board as shown in policy 5.11. This purchasing decision relies on the educational evaluation of the quality of the instructional textbook as determined by the professional teaching staff.

Publishers are required to meet the statutory requirements and bond requirements under sections 170.016 through 170.161 of the Revised Statutes of the State of Missouri. No textbook publisher shall charge the Blue Springs R-IV School District a higher price for books than is paid by any other school district in the state, or in any other state purchasing textbooks in the open market.

**1.92.3 Purchase Preference** (January, 2006)

In making purchases the school board, officers or employees of the R-IV School District of Jackson County, Missouri, shall give preference to all commodities manufactured, mined, produced, or grown within the state, and to all firms, corporations or individuals doing business as Missouri firms, corporations, or individuals when quality and price are approximately the same; provided, however, that any board member, officer, or employee of a seven-director school district, any portion of which is located in a first class county, selling or providing such commodities to the school district is prohibited. (171.181 RSMo)

Rev.7/82, 1/06

**1.92.4 Purchase of Non-Academically Related Items**  
(September, 2001)

Bidding of articles that are sold by the school or through the school which are non-academically related (i.e., yearbooks, class rings, money making projects, etc.) will be left to the discretion of the superintendent of schools, or his/her designee. If the superintendent, or his/her designee, determines that articles of this nature should be bid, the specifications will be submitted through the business office and handled as outlined in section 1.92.2.

**1.92.5 Supplies, Equipment or Services Purchased With Federal Monies** (January, 2006)

Supplies, equipment or services purchased with federal monies shall be exempt from the bidding process under policy 1.92.2 when the following conditions exist:

- (1) the time period in which these monies are available precludes competitive bidding,
- (2) purchases made under this policy do not exceed \$15,000.00,
- (3) purchases made under this policy are approved in advance by the Department of Elementary and Secondary Education,

1.92.5 (continued)

(4) purchases made under this policy are approved by the superintendent of schools.

A report of purchases made under this policy will be made to the board of education.

Rev. 9/01, 1/06

1.92.6 **Contracted Cleaning Services** (September, 2001)

The superintendent of schools, or his/her designee, is authorized to negotiate for contracted cleaning services of school buildings when it is considered to be in the best interest of the school district and within budgetary limits.

1.93 **Method of Payment of Bills** (March, 2003)

Invoices that are received and certified as complete by the person originating the order will be placed in the bill paying process. Check runs will be conducted weekly and any exceptions to the schedule will be communicated from the business office. Check registers will be presented to the board at the following meeting for approval. All bills, invoices or statements considered for payment by the board shall be addressed to: Blue Springs R-IV Board of Education, 1801 NW Vesper, Blue Springs, MO 64015.

1.94 **Investment Policy** (May, 1999)

See Appendix 1(4) through 1(11).

1.95 **Fund Balance Policy** (June, 2011)

The Blue Springs R-IV School District complies with the Governmental Accounting Standards Board Statement No. 54 (GASB 54) which establishes criteria for classifying fund balances and clarifies definitions for governmental fund types.

**GASB 54 establishes five fund balance categories:**

1. **Nonspendable** Fund Balance consists of funds that cannot be spent due to their form (e.g., inventories and prepaids) or funds that legally or contractually must be maintained intact.
2. **Restricted Fund Balance** consists of funds that are mandated for a specific purpose by external parties,

1.95 (continued)

constitutional provisions or enabling legislation (e.g. Special Revenue [Teacher's] Fund, Debt Service Fund, and Bond Issues).

3. **Committed Fund Balance** consists of funds that are set aside for a specific purpose by the District's highest level of decision making authority. Formal action must be taken prior to the end of the fiscal year. The same formal action must be taken to remove or change the limitations placed on the funds.
4. **Assigned Fund Balance** consists of funds that are set aside with the intent to be used for a specific purpose by the District's highest level of decision making authority or a body or official that has been given the authority to assign funds. Assigned funds cannot cause a deficit in unassigned fund balance (e.g. Student Activity Funds, Child Nutrition Services Funds, Community Education Funds, Capital Projects Fund, and any General Fund amounts used to cover a budget deficit).
5. **Unassigned Fund Balance** consists of excess funds that have not been classified in the previous four categories. All funds in this category are considered spendable resources. This category also provides the resources necessary to meet unexpected expenditures and revenue shortfalls.

**Actions Leading to Restricted, Committed, and Assigned Fund Balances**

The Board of Education has the authority to set aside funds for a specific purpose. Commitments are authorized by formal Board resolution. The passage of a resolution must take place prior to June 30th of the applicable fiscal year. If the actual amount of the commitment is not available by June 30, the resolution must state the process or formula necessary to calculate the actual amount as soon as information is available. Assignments are authorized by fund placement in the Special Revenue, Capital Projects and Debt Service funds in the original adopted and later revised budget.

Upon adoption of a budget where fund balance is used as a source to balance the budget, the Chief Financial Officer shall record the amount as Assigned Fund Balance.

The Board delegates the authority to assign amounts for specific purpose(s) to the Chief Financial Officer.

1.95 (continued)

**Order of Spending**

For all funds except the Debt Service Fund, when both restricted and unrestricted funds are available for expenditure, restricted funds should be spent first unless legal requirements disallow it.

When committed, assigned and unassigned funds are available for expenditure, committed funds should be spent first, assigned funds second, and unassigned funds last.

**Governmental Fund Types**

It is the District's expectation that substantial sources of revenue for the Teachers Fund will always be transfers from the general fund and the portion of state basic formula and Proposition C sales tax required by law. In addition, state rules for public school finance require that this fund be used to account for revenue sources legally restricted to expenditures for the purpose of teachers' salaries and benefits and tuition payments to other school districts. The Board elects to treat the Teachers Fund as a special revenue fund, and a major fund, in the financial statements.

**Minimum Unrestricted Fund Balance**

The Board recognizes that the maintenance of a fund balance is essential to provide for unforeseen expenses or emergencies and to provide working capital in the first several months of the fiscal year, until sufficient revenues are available to fund operations. By maintaining an appropriate fund balance, the District can avoid excessive short term borrowing and the associated interest expense, accumulate sufficient assets to make designated purchases or cover unforeseen expenditure needs, and demonstrate financial stability necessary to preserve or enhance its bond rating, thereby lowering debt issuance costs.

The undesignated fund balance in the operating funds will be maintained at a level sufficient to provide the resources required to meet operating cost needs, to allow for unforeseen needs of an emergency nature, and to permit orderly adjustment to changes resulting from fluctuations of revenue sources.

**1.12 Legal Representation, Annual Audit & Architectural Services**

(September, 2001)

The board of education shall employ qualified individuals and/or firms to provide the services of an annual audit, legal representation and architectural and engineering services, based on the recommendations of the superintendent of schools or his/her designee.

**MEMBERSHIP GUIDELINES FOR THE  
BLUE SPRINGS SCHOOL DISTRICT  
CITIZENS' ADVISORY COMMITTEE**

1. All members of the committee must be residents of the Blue Springs School District and registered voters.
2. A maximum committee membership of 250 shall be maintained, plus the administrative staff and members of the board of education.
3. All members of the committee shall be contacted annually to determine if they want to continue to serve on the committee. If they indicate they do not want to continue to serve, their name shall be removed from the membership list.
4. A prospective list of members shall be maintained in the office of the superintendent of schools. When a patron indicates an interest in serving on the committee, their name shall be added to this list. No members shall be added to the committee after the first meeting of the year has occurred and the list shall be used at the beginning of each year to maintain the maximum membership of 250.
5. All names of members of the committee who have not attended at least one meeting during the year shall be removed from the membership list.
6. The committee membership shall be representative of the community in regard to:
  - race
  - language
  - ethnicity
  - gender
  - disability
  - socioeconomic characteristics
  - geographic areas,

shall include at least one representative from:

- school patrons
- school board members
- students
- teachers
- parents
- school administrators
- business representatives.

## **GUIDELINES FOR PUBLIC COMMENTS AT BLUE SPRINGS R-IV SCHOOL DISTRICT BOARD MEETINGS**

A public comment section is scheduled during each regular school board meeting which provides an opportunity for district citizens to comment. Anyone wanting to address the board must complete the form on the reverse side of these guidelines. After completing the form, it should be given to the president of the board of education or superintendent of schools prior to the beginning of the meeting. A five (5) minute time limit has been established for all speakers who have signed up with a maximum of four (4) speakers per topic. Speakers will not be permitted to participate in gossip, make defamatory comments, or use abusive or vulgar language. The president of the board has the option to stop the proceedings at any time. Comments made during this portion of the agenda will not be made part of the official minutes of the board meeting and no response will be given from the board to presentations made. Issues of personnel including, but not limited to, employment, supervision, evaluation, career ladder and termination of staff are not appropriate for discussion at open board meetings. If a patron has a concern regarding any of those issues, they should address those with the appropriate building principal or supervisor, or the assistant superintendent for human resources. If concerns still exist, they should contact the superintendent or deputy superintendent, and/or communicate in person, or in writing, with members of the board of education.

**REQUEST OF DISTRICT CITIZENS FOR PRESENTATION**

**Date:**\_\_\_\_\_

**Name:**\_\_\_\_\_

**Street Address:**\_\_\_\_\_

**City/Zip Code:**\_\_\_\_\_

**Are you a resident of the school district? Yes**\_\_\_\_ **No** \_\_\_\_\_

**Topic To Be Discussed:**\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

**Has this topic been discussed with the immediate principal or supervisor?**

**Yes**\_\_\_\_ **No**\_\_\_\_\_

**Please return this form to the president of the board of education or the superintendent of schools prior to the beginning of the meeting.**

REQUEST FOR CONSIDERATION OF POLICY REVISION

Policy Number \_\_\_\_\_  
(if policy currently exists)

Policy Name \_\_\_\_\_

It is recommended the following policy revision be considered for adoption:

Rational for this request:

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Name of individual or group submitting request (not mandatory)

## **BLUE SPRINGS R-IV SCHOOL DISTRICT INVESTMENT POLICY**

This policy is written in regard to investing the financial assets of the Blue Springs School District Incidental, Teachers, Debt Service and Capital Projects Funds. This policy also includes the investment of the general obligation bond proceeds when invested separately from the individual funds. Collateralized investments will comply with the requirements of the Financial Institutions Reform, Recovery, and Enforcement Act (FIRREA) of 1989.

### **I. Scope**

This policy applies to the investment of all operating funds of the Blue Springs School District.

1. Pooling of Funds

Except for cash in certain restricted and special funds, the district will consolidate cash balances from all funds to maximize investment earnings. Investment income will be allocated to the various funds based on their respective participation and in accordance with the generally accepted accounting principles.

2. External Management of Funds

Investment through external programs, facilities and professionals operating in a manner consistent with this policy will constitute compliance.

### **II. General Objectives**

1. Safety

Safety of principal is the foremost objective of the investment program. Investments shall be undertaken in a manner that seeks to ensure the preservation of capital in the overall portfolio. The objective will be to mitigate credit risk and interest rate risk.

a. Credit Risk

The district will minimize credit risk, the risk of loss due to the failure of the security issuer or backer, by:

- Pre-qualifying the financial institutions, brokers/dealers, intermediaries, and advisors with which the district will do business.
- Diversifying the portfolio so that potential losses on individual securities will be minimized.

b. Interest Rate Risk

The district will minimize the risk that the market value of securities in the portfolio will fall due to changes in general interest rates, by:

- Structuring the investment portfolio so that securities mature to meet cash requirements for ongoing operations, thereby avoiding the need to sell securities on the open market prior to maturity.
- Investing operating funds primarily in shorter-term securities.

2. Liquidity

The investment portfolio shall remain sufficiently liquid to meet all operating requirements that may be reasonably anticipated. This is accomplished by structuring the portfolio so that securities mature concurrent with cash needs to meet anticipated demands (static liquidity). Furthermore, since all possible cash demands cannot be anticipated, the portfolio should consist largely of securities with active secondary or resale markets (dynamic liquidity). A portion of the portfolio also may be placed in bank deposits or repurchase agreements that offer same-day liquidity for short-term funds.

## **General Objectives** (continued)

### 3. Yield

The investment portfolio shall be designed with the objectives of attaining a market rate of return throughout budgetary and economic cycles, taking into account the investment risk constraints and liquidity needs. Return on investment is of secondary importance to the safety and liquidity objectives described above. The core of investments is limited to relatively low risk securities in anticipation of earning a fair return relative to the risk being assumed. Securities shall not be sold prior to maturity with the following exceptions:

- A security with declining credit may be sold early to minimize loss of principal.
- A security swap would improve the quality, yield, or target duration in the portfolio.
- Liquidity needs of the portfolio require that the security be sold.

## **III Standards of Care**

### 1. Prudence

The standard of care to be used by investment officials shall be the “prudent person” standard and shall be applied in the context of managing an overall portfolio. Investment officers acting in accordance with written procedures and this investment policy and exercising due diligence shall be relieved of personal liability for an individual security’s credit risk or market price changes, provided deviations from expectations are reported in a timely fashion to the governing body and the liquidity and the sale of securities are carried out in accordance with the terms of this policy.

Investments shall be made with judgment and care, under circumstances then prevailing, which persons of prudence, discretion and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the probable safety of their capital as well as the probable income to be derived.

### 2. Ethics and Conflicts of Interest

Officers and employees of the district involved in the investment process shall refrain from personal business activity that could conflict with the proper execution and management of the investment program, or that could impair their ability to make impartial decisions. Employees and investment officials shall disclose any material interests in financial institutions in which they conduct business. They shall further disclose any personal financial/investment positions that could be related to the performance of the investment portfolio. Employees and officials shall refrain from undertaking personal investment transactions with the same individual with which business is conducted on behalf of the district.

### 3. Delegation of Authority

Authority and responsibility for management of the day-to-day operations of the investment program may be granted to the superintendent or designee and/or an external professional organization, including Missouri Securities Investment Program (“MOSIP”). The investment officer shall ensure that the investment program’s operations are in accordance with the established written procedures and internal controls for the operation of the investment program consistent with this investment policy. Procedures should include references to: safekeeping, delivery vs. payment, investment accounting, repurchase agreements, wire transfer agreements, and collateral/depository agreements. No person may engage in an investment transaction except as provided under the terms of this policy and the procedures established by the investment officer.

#### IV. Investment Transactions

1. Authorized Financial Dealers and Institutions

A list will be maintained of financial institutions authorized to provide investment transactions. In addition, a list also will be maintained of approved security brokers/dealers selected by creditworthiness. These may include “primary” dealers or regional deals that qualify under Securities and Exchange Commission (SEC) Rule 15C3-1 (uniform net capital rule).

All financial institutions and broker/dealers who desire to become qualified for investment transactions must supply the following as appropriate:

- Audited financial statements
- Proof of National Association of Securities Dealers, Inc. (NASD) certification
- Completed broker/dealer questionnaire
- Certification of having read and understood and agreeing to comply with the district’s investment policy.

An annual review of the financial condition and registration of qualified financial institutions and broker/dealers will be conducted by the superintendent or designee and/or the designated external professional organization.

2. Internal Controls

The investment officer is responsible for establishing and maintaining an internal control structure that will be reviewed annually with the district’s independent auditor. The internal control structure shall be designed to ensure that the assets of the district are protected from loss, theft or misuse and to provide reasonable assurance that these objectives are met. The concept of reasonable assurance recognizes that (1) the cost of control should not exceed the benefits likely to be derived and (2) the valuation of costs and benefits require estimates and judgments by management.

The internal controls shall address the following points:

- Control of collusion
- Separation of transaction authority from accounting and record keeping
- Custodial safekeeping
- Avoidance of physical delivery securities
- Clear delegation of authority to subordinate staff members
- Written confirmation of transactions for investments and wire transfers
- Development of a wire transfer agreement with the lead bank and third party custodian.

3. Delivery vs. Payment

All trades where applicable will be executed by delivery vs. payment (DVP) to ensure that securities are deposited in eligible financial institutions prior to the release of funds. All securities shall be perfected in the name or for the account of the district or MOSIP or other designated external professional organization and shall be held by a third-party custodian as evidenced by appropriate safekeeping receipts.

V. **Suitable and Authorized Investments**

1. **Investment Types**

In accordance with and subject to restrictions imposed by current statutes, the following list represents the entire range of investments that district will consider and which shall be authorized for the investments of funds by the district.

- a. **Securities issued by State of Missouri** -- The district may invest in obligations of the Missouri State government for which the full faith and credit of the State of Missouri are pledged for the payment of principal and interest.
- b. **United States Treasury Securities** -- The district may invest in obligations of the United States government for which the full faith and credit of the United States are pledged for the payment of principal and interest.
- c. **United States Agency Securities** -- The district may invest in obligations issued or guaranteed by any agency or any wholly owned corporation of the United States Government as described in V(2).
- d. **Repurchase Agreements** -- The district may invest in contractual agreements between the district and commercial banks or primary government securities dealers. The purchaser in a repurchase agreement (repo) enters into a contractual agreement to purchase Treasury and government agency securities while simultaneously agreeing to resell the securities at predetermined dates and prices.
- e. **Collateralized Public Deposits (Certificates of Deposit)** -- Instruments issued by financial institutions, which state that specified sums have been deposited for specified periods of time, and at specified rates of interest. The certificates of deposit are required to be backed by acceptable collateral securities as described in sections 110.010-.020,RSMo.
- f. **Banker's Acceptance** -- Time drafts drawn on and accepted by a commercial bank, otherwise known as bankers' acceptances. The district may invest in bankers' acceptances issued by domestic commercial banks possessing the highest rating issued by Moody's Investor Services, Inc. or Standard and Poor's Corporation.
- g. **Commercial Paper** -- The District may invest in commercial paper issued by domestic corporations, which has received the highest rating issued by Moody's Investor Services, Inc. or Standard and Poor's Corporation. Eligible paper is further limited to issuing corporations that have total assets in excess of five hundred million dollars (\$500,000,000).

**Suitable and Authorized Investments** (continued)

2. Security Selection: The following list represents the entire range of United States Agency Securities that district will consider and which shall be authorized for the investment of funds by the district. Additionally, the following definitions and guidelines should be used in purchasing the instruments:
  - a. U.S. Govt. Agency Coupon and Zero Coupon Securities -- Bullet Coupon bonds with no embedded options.
  - b. U.S. Govt. Agency Discount Notes -- Purchased at a discount with maximum maturities of one (1) year.
  - c. U.S. Govt. Agency Callable Securities -- Restricted to securities callable at par only with final maturities of five (5) years.
  - d. U.S. Govt. Agency Step-Up Securities -- The coupon rate is fixed for an initial term. At coupon date, the coupon rate rises to a new, higher fixed term. Restricted to securities with final maturities of five (5) years.
  - e. U.S. Govt. Agency Floating Rate Securities -- The coupon rate floats off one index restricted to coupons with no interim caps that reset at least quarterly.
  - f. U.S. Govt. Mortgage Backed Securities -- Restricted to securities with final maturities of five (5) years.
  
3. Investment Restrictions and Prohibited Transactions

To provide for the safety and liquidity of the district's funds, the investment portfolio will be subject to the following restrictions:

  - a. Borrowing for investment purposes ("Leverage") is prohibited
  - b. Instruments known as Structured Notes (e.g. inverse floaters, leveraged floaters, and equity-linked securities) are not permitted. Investment in any instrument, which is commonly considered a "derivative" investment (e.g. options, futures, swaps, caps, floors, and collars), is prohibited.
  - c. Contracting to sell securities not yet acquired in order to purchase other securities for purposes of speculating on developments or trends in the market is prohibited.
  - d. No more than 5% of the total market value of the portfolio may be invested in bankers' acceptances issued by any one commercial bank and no more than 5% of the total market value of the portfolio may be invested in commercial paper of any one issuer.

## **Suitable and Authorized Investments** (continued)

### 4. Collateralization

Collateralization will be required on two (2) types of investments: certificates of deposit and repurchase agreements. In order to anticipate market changes and provide a level of security for all funds, the market value (including accrued interest) of the collateral should be at least 100%. For certificates of deposit, the market value of collateral must be at least 100% or greater of the amount of certificates of deposits plus demand deposits with the depository, less the amount, if any, which is insured by the Federal Deposit Corporation, or the National Credit Unions Share Insurance Fund.

All securities, which serve as collateral against the deposits of a depository institution must be safe kept at a non-affiliated custodial facility. Depository institutions pledging collateral against deposits must, in conjunction with the custodial agent, furnish the necessary custodial receipts within five business days from the settlement date.

### 5. Repurchase Agreements

The securities for which repurchase agreements will be transacted will be limited to Treasury and government agency securities that are eligible to be delivered via the Federal Reserve's Fedwire book entry system. Securities will be delivered to the district's designated Custodial Agent. Funds and securities will be transferred on a delivery vs. payment basis.

## **VI. Investment Parameters**

### 1. Diversification

The investments shall be diversified to minimize the risk of loss resulting from over concentration of assets in specific maturity, specific issuer, or specific class of securities. Diversification strategies shall be established and periodically reviewed. At a minimum, diversification standards by security type and issuer shall be:

- a. U.S. treasuries and securities having principal and/or interest guaranteed by the U.S. government - 100%
- b. Collateralized time and demand deposits -- 100%
- c. U.S. Government agencies, and government sponsored enterprises - No more than 60%
- d. Collateralized repurchased agreements -- 50%
- e. U.S. Government agency callable securities -- Not more than 30%

## **Investment Parameters** (continued)

### 2. Maximum Maturities

To the extent possible, the district shall attempt to match its investments with anticipated cash flow requirements. Investments in bankers' acceptances and commercial paper shall mature and become payable not more than 180 days from the date of purchases. All other investments shall mature and become payable not more than five (5) years from the date of purchase. The district shall adopt weighted average maturity limitations that should not exceed three (3) years and is consistent with the investment objectives.

Because of inherent difficulties in accurately forecasting cash flow requirements, a portion of the portfolio should be continuously invested in readily available funds such as in bank deposits or overnight repurchase agreements to ensure that appropriate liquidity is maintained to meet ongoing obligations.

## **VII. Reporting**

### 1. Methods

The investment officer shall prepare or cause to be prepared an investment report at least quarterly, including a management summary that provides an analysis of the status of the current investment portfolio and transactions made over the last quarter. This management summary will be prepared in a manner that will allow the district to ascertain whether investment activities during the reporting period have conformed to the investment policy. The report should be provided to the governing body of the district. The report will include the following:

- Listing of individual securities held at the end of the reporting period
- Realized and unrealized gains or losses resulting from appreciation or depreciation by listing the cost and market value of securities over one-year duration (in accordance with Government Accounting Standards Board (GASB) 31 requirements). [Note, this is only required annually]
- Average weighted yield to maturity of portfolio on investments as compared to applicable benchmarks.
- Listing of investment by maturity date.
- Percentage of the total portfolio, which each type of investment represents.

### 2. Performance Standards

The investment portfolio will be managed in accordance with the parameters specified within this policy. The portfolio should obtain a market average rate of return during a market/economic environment of stable interest rates. A series of appropriate benchmarks may be established against which portfolio performance shall be compared on a regular basis.

Commercial paper and bankers' acceptances must be reviewed not less often than monthly by the investment officer to determine if the rating level has changed. The commercial paper and bankers' acceptances should be reviewed for possible sale if the securities are downgraded below the minimum acceptable rating levels.

**Reporting** (continued)

3. Marking to Market

The market value of the portfolio shall be calculated at least quarterly and a statement of the market value of the portfolio shall be issued at least annually to the Board. This will ensure that review of the investment portfolio, in terms of value and price volatility, has been performed.

**VIII. Policy Considerations**

1. Exemption

Any investment currently held that does not meet the guidelines of this policy shall be exempt from the requirements of this policy. At maturity or liquidation, such monies shall be reinvested only as provided by this policy.

2. Adoption

The policy shall be reviewed annually by the investment officer and recommended changes will be presented to the Board for consideration.