

Business

Investment Policy

1. Policy

It is the policy of the District to invest public funds in a manner which will provide secure investment return, while meeting the daily cash flow needs of the District and conforming to all state statutes governing the investment of public funds.

2. Scope

This investment policy applies to all financial assets of the District.

3. Prudence

Investments shall be made with judgment and care, under circumstances then prevailing, which persons of prudence, discretion and intelligence exercise in the managing 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.

The standard of prudence 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 the investment policy, state law and exercising due diligence shall be relieved of personal responsibility for an individual security's credit risk or market price changes, provided deviations from expectations are reported in a timely fashion and appropriate action is taken to control adverse developments.

4. Objectives

The primary objectives of the District's investment activities, in priority order, shall be:

- a. Safety. Safety of principal is the foremost objective of the investment program. Investments of the District shall be undertaken in a manner that seeks to ensure the preservation of capital in the overall portfolio. Funds shall be maintained in accounts of insured financial institutions. For any amounts above the insured maximum, security shall be obtained as provided in Administrative Regulation 3263.

Business

- b. Liquidity. The District's investment portfolio will remain sufficiently liquid to enable the District to meet all operating cash requirements that may be reasonably anticipated.
- c. Return on Investments. The District's investment portfolio shall be designed with the objective of attaining a rate of return throughout budgetary and economic cycles commensurate with the District's investment risk constraints and the cash flow characteristics of the District's operations.

5. Delegation of Investment Authority

Management responsibility for the District's investment program is hereby delegated to the Chief Financial Officer, who shall have control of and discretion in the investment of all District funds that are not immediately needed and are available for investment. The Chief Financial Officer may delegate authority for investment transactions to other responsible subordinate officials within the District. The Chief Financial Officer shall establish a system of controls to regulate the investment activities of subordinate officials. No person may engage in investment transactions except as provided under the terms of this policy.

6. District funds may be invested only as authorized by Wisconsin Statutes.

7. Annual Audit and Reporting Requirements

The District shall establish an annual process of independent review by an external auditor assuring compliance with this investment policy. A report on the market value of investment balances will be included in the District's annual audited financial statements.

Legal Reference: Wisconsin Statutes § 25.50; § 66.0603; § 67.11; § 881.01;
Opinion of the Attorney General (March 14, 1985)

Administrative Regulation adopted: February 13, 1977
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