



Investments Policy

I. Investment Authority

A. Delegation of Authority to Invest

From time-to-time, the San Diego Cooperative Charter School has assets in excess of its anticipated near-term needs. This policy governs the investment of such funds determined to be in excess of near-term needs. If applicable state or federal law conflicts with this policy, the applicable state or federal laws shall prevail.

The Board of Directors of San Diego Cooperative Charter School (“**Board**”) authorizes the Executive Director in consultation with the board to invest assets in accord with this policy, to purchase and sell investments and instruments, allow wire transfers, and execute documents necessary to implement this policy.

B. Controls and Oversight of Investments The Executive Director along with the Board shall ensure that written internal controls policies and procedures are developed and implemented to ensure that investments are made in accord with this policy, that prevent losses of assets that may arise from fraud, error, misrepresentation, or imprudent action and that investments avoid speculation, looking instead to the permanent disposition of the funds, considering the probable income, as well as the probable safety of the corporation’s capital.

The Board shall receive and review information on investment balances, allocations, and returns at least quarterly and present a summary report at least annually to the Board.

The officers and employees involved in the investment process shall refrain from any conflicts of interest in the management of the school’s investments and shall have no interest in, nor receive any compensation nor inducements from any of the school’s investments nor those involved in selling or managing those investments. All investment activity shall be in accordance with applicable laws governing conflicts of interest and the organization’s Conflict-of-Interest Policies

II. Maintaining Liquidity

A. Estimating Future Liquidity Needs

The Executive Director and the Board shall annually, or more frequently as needed, prepare or cause to be prepared cash flow projections that anticipate that San Diego Cooperative Charter School near-term cash position. The projections shall identify the amounts of cash and other assets needed to ensure that the San Diego Cooperative Charter School maintains available cash reserves in alignment with levels specified in budgeting and financial policies, debt covenants, agreements with the charter authorizing agency, or other binding commitments. These shall be held on deposit in cash or cash-equivalent operating accounts at all times while also remaining current on all accounts payable and other obligations.

B. Amounts Available for Investment

Amounts in excess of those needed to remain liquidity may be invested in longer-term investments identified below so as to meet the objectives listed below.

III. Objectives

The objectives of this investment policy include the following:

1. Safety of Principal – Funds should be invested to preserve the principal in the overall portfolio.
2. Liquidity – Funds should be invested to ensure that the school can meet its anticipated cash liquidity needs based on reasonably detailed cash flow projections.
3. Return on Investments – Funds should be invested to attain the highest market returns relative to risk constraints, with a goal of achieving a maximum rate of return relative to the market at that the time of the investment and while ensuring liquidity.
4. Maintaining the Public’s Trust – Funds should be invested so as to act as responsible custodians of public funds and avoid transactions that would undermine public confidence in the school, its board, officers, and employees. Investments of donated assets shall conform to any related instrument or agreement pursuant to which the assets were donated to the San Diego Cooperative Charter School.

IV. Investment Standards and Approved Investment Instruments

Individuals responsible shall manage and invest in good faith and with the care that an ordinary and prudent person would exercise under similar circumstances. The San Diego Cooperative Charter School may only incur costs that are reasonable in relation to the assets being managed, considering the skills and expertise available to the school, and shall make a reasonable effort to verify facts relevant to the management and investment of assets.

Individuals responsible for managing and investing assets must consider the following:

- General economic conditions,
- The possible effects of inflation or deflation,

- Expected tax consequences, if any,
- The role that each investment or course of action plays relative to the school's overall investments,
- The expected total return from income and appreciation of investments,
- The needs of the San Diego Cooperative Charter School to make distributions and preserve capital, and
- An asset's special relationship or special value, if any, to the charitable purposes of the School.

In alignment with this policy, the San Diego Cooperative Charter School may invest in the following forms of investment instruments in alignment with the objectives listed above and to the extent allowed by applicable law:

- Bonds, notes, and treasury bills and other securities issued by and backed by the full faith and credit of the United States of America and its agencies.
- Interest-bearing savings accounts, checking accounts, cash management accounts, and certificates of deposit that are insured by the Federal Deposit Insurance Corporation.

Note: The instruments listed above are among the most conservative and near risk-free investments available on the market. They also generally generate the lowest investment returns. Some schools/organizations with more substantial assets and cash reserves are in a position to incur higher levels of risk, and presumably generate more substantial returns by investing in other instruments including corporate bonds, certificates of deposit from foreign banks, stocks/equities, etc. Schools/organizations doing so presumably may want to obtain professional advice and expand this sample policy to list the specific approved instruments. It presumably is also a good practice to set specific percentage or dollar limits on the percentage or amounts of the organization's funds that may be invested in such higher risk instruments.

The above list of investments can be amended or added to by the board of directors in a revised version of this policy.

All investments shall be made in the name of the San Diego Cooperative Charter School.

Adopted:

Amended: