

Policy

FUNDS MANAGEMENT/INVESTMENTS

When the Egg Harbor City Board of Education, due to unforeseen contingencies in the current account, receipt of state aid, funds in advance of construction, etc., is holding unencumbered cash balances, such funds shall be invested at interest.

Available school funds shall be legally invested to earn interest. Safety of the principal shall be considered before the high rate of interest return. Only investments deemed safe according to law shall be considered. Interest or other earnings on investments shall be credited to the specific fund as designated by state law.

The board requires that the business administrator/board secretary report to the board annually the amount of funds in investments, the types and amounts of each investment and the interest earned on each, and the transactions occurring since the last report.

The treasurer of school moneys shall include in the monthly report to the board all cash in all accounts on deposit as well as all investment assets of the board.

Studies shall be made as to the advisability and legal implication of paying off indebtedness before maturity. All outstanding debt shall be refinanced if a 3% or more net present value savings can be achieved.

Adopted: July 14, 2004
NJSBA Review/Update: June 2015
Readopted: August 12, 2015

Key Words

Surplus Funds, Investment, Depositories

Legal References:	<u>N.J.S.A.</u> 17:9-41	Financial institutions
	<u>N.J.S.A.</u> 17:12B-241	Insured accounts eligible investment for trust and public funds, and savings banks and as security
	<u>N.J.S.A.</u> 18A:7F-43 <u>et seq.</u>	<u>School Funding Reform Act of 2008</u>
	<u>N.J.S.A.</u> 18A:4-14	Uniform system of bookkeeping for school districts
	<u>N.J.S.A.</u> 18A:17-8	Secretary; collection of tuition and auditing of accounts
	<u>N.J.S.A.</u> 18A:17-34	Receipt and disposition of moneys
	<u>N.J.S.A.</u> 18A:17-35	Records of receipts and payments
	<u>N.J.S.A.</u> 18A:20-37	Purchase of certain types of securities; definitions
	<u>N.J.S.A.</u> 18A:22-8	Contents of budget; program budget system
	<u>N.J.S.A.</u> 18A:24-47	Payment custodian; application
	<u>N.J.S.A.</u> 18A:34-2	Care and keeping of textbooks and accounting
	<u>N.J.A.C.</u> 6A:23A-16.1 <u>et seq.</u>	Double entry bookkeeping and GAAP accounting in local school districts
	<u>N.J.A.C.</u> 6A:23A-8.1 <u>et seq.</u>	Budget submission, support documentation, website publication

Handbook 2R2 – Financial Accounting for Local and State School Systems

Possible

Cross References:	*3100	Budget planning, preparation and adoption
	*3326	Payment for goods and services
	*3400	Accounts
	*3450	Money in school buildings

INVESTMENTS (continued)

*3451	Petty cash funds
*3453	School activity funds
*3570	District records and reports
*3571.4	Audit

*Indicates policy is included in the Critical Policy Reference Manual.