

Fayetteville School District Investment Policy

I. INTRODUCTION

This statement of investment policies and objectives of the Fayetteville School District cash management and bond proceeds funds are hereby adopted as follows:

1. The Board shall define investment polices and objectives as generally set forth below.
2. The investment advisor shall be given guidance and limitations as set forth below and understand what is expected of them by the Board.
3. There will be a basis for evaluation of the performance of the individual advisors and the Funds as a whole as generally stated below.
4. The investment polices and objectives may be changed at any time by the Board and shall be reviewed at least annually.

II. POLICY

Fayetteville School District shall invest its funds in accordance with state and federal law and this investment policy.

1. Objective. The objective of this investment policy is to maximize return while ensuring:
 - (a) Preservation and Safety of Principal
 - (b) Liquidity
2. Authorized and Suitable Investments and Guidelines
 - (a) Types of Investments
 - i. Direct Obligations of the Untied States Government (e.g., Treasury Bills & Notes)
 - ii. Obligations of agency or political subdivisions created by act of the United States Congress and authorized thereby to issue securities that do and do not guarantee of repayment by the United States Government (e.g., FNMA,FHLMC, & FHLB)

iii. Demand, savings or time deposits or accounts of any deposit institution chartered by the United States or any State of the United States provided that investments are fully insured by the Federal Deposit Insurance Corporation (FDIC) and any amount in excess of the FDIC limit will require full collateralization pursuant to Arkansas Law

(b) Maximum Maturities
The board shall determine the amount of cash reserves that may be needed to meet current and expected expenses. The remaining portions of the funds may be invested in allowable securities described in paragraph 2(a) with a maturity date not more than five (5) years from the date of purchase.

III. INVESTMENT MANAGEMENT

The Board is authorized to engage the services of the investment advisors, as defined under the Investment Advisors Act of 1940, and other investment professionals to provide the specialized research and skilled manpower to meet these investment objectives and guidelines. Accordingly, the Board requires the investment advisors to adhere to the "prudent man rule" and/or such other federal or state laws as may be applicable, or which may be applicable in the future to investments of public funds. All investments shall be made in accordance with Arkansas law.

Investment managers shall utilize security brokers that provide the lowest cost and best execution on all transactions

IV. DELEGATION OF AUTHORITY

Any investment advisor retained by the Board will be held responsible for making all investment decisions regarding the assets under their direction. Each investment advisor will observe the guidelines and philosophies stated herein and will be required to operate within these guidelines.

V. REPORTING

The investment advisor(s) shall prepare and report on investment activity at the request of the Board but not less than semi-annually. The meetings will serve as review of the manager's progress and adherence to the fund's guidelines.

APPROVED BY THE BOARD OF THE FAYETTVILLE SCHOOL DISTRICT:
FOR THE FUND

SIGNATURE/ TITLE

DATE: