

Policy

FUNDS MANAGEMENT/INVESTMENTS

When the Alloway Township 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.

Funds of the board may be invested in bonds or other obligations of the United States, bonds of certain federal agencies as specified by law, bonds or obligations of the County, municipality or school district, and public depositories located within the boundaries of the State of New Jersey, provided such depositories secure public funds in accordance with state law. 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. 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 fund investments, the types and amounts of each investment and the interest earned on each, and the transactions occurring since the last report.

The business administrator/board secretary 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.

Investment of board funds is the responsibility of the business administrator/board secretary, as governed by applicable statutes, provided that no commitment of this board may be put in default.

Funds of the board may be withdrawn from approved public depositories, or negotiable instruments owned by the board may be sold prior to maturity at the discretion of the business administrator/board secretary acting within the law.

The interest earned on such investments shall be combined with the general revenues of the board.

Adopted: September 23, 2003
NJSBA Review/Update: November 2019
Readopted:

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

FUNDS MANAGEMENT/INVESTMENTS (continued)

N.J.A.C. 6A:23A-8.1 et seq. school districts
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
*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.