

**Policy**

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FUNDS MANAGEMENT INVESTMENTS

When the Alloway Township School District 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.

The board requires that the business administrator 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 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.

The use of student activities funds shall be limited to activities directly related to educational functions sanctioned and authorized by the board of education. Organizations such as parent-teacher associations or parent-citizen booster clubs, and groups that conduct events not sponsored by the board of education shall be expected to account for funds separately.

No fund raising drives may be conducted except with the express approval of the board of education.

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Funds of the board may be withdrawn from approved public depositories, or negotiable instruments owned by the board may be sold prior to maturity at the discretion of the business administrator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

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

Adopted: September 23, 2003  
Revised: November 2019  
NJSBA Review/Update: April 2025  
Readopted:

Key Words

Surplus Funds, Investment

<b><u>Legal References:</u></b>	<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-7(b)	Appropriation by school district of undesignated fund balance; amounts allowable
	<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:7G-3	Definitions relative to construction, financing of public

INVESTMENTS (continued)

<u>N.J.S.A.</u> 18A:7G-4	school facilities
<u>N.J.S.A.</u> 18A:7G-31	Long-range facilities plans
<u>N.J.S.A.</u> 18A:4-14	Capital reserve accounts
<u>N.J.S.A.</u> 18A:17-8	Uniform system of bookkeeping for school districts
<u>N.J.S.A.</u> 18A:17-34	Secretary; collection of tuition and auditing of accounts
<u>N.J.S.A.</u> 18A:17-35	Receipt and disposition of moneys
<u>N.J.S.A.</u> 18A:20-37	Records of receipts and payments
<u>N.J.S.A.</u> 18A:21-2	Purchase of certain types of securities; definitions
	Authorization; establishment of a capital reserve account
<u>N.J.S.A.</u> 18A:21-3	Credits to capital reserve accounts
<u>N.J.S.A.</u> 18A:22-8	Contents of budget; program budget system
<u>N.J.S.A.</u> 18A:22-8.2	Prohibited transfers
<u>N.J.S.A.</u> 18A:23-1	Audit when and how made
<u>N.J.A.C.</u> 6A:23A-8.5	Designation of general fund balances
<u>N.J.A.C.</u> 6A:23A-14.4	Establishment of other reserve accounts
<u>N.J.A.C.</u> 6A:23A-16.1 et seq.	Double entry bookkeeping and GAAP accounting in local school districts
<u>N.J.A.C.</u> 6A:26-2.1 et seq.	Educational facilities
See Particularly:	
<u>N.J.A.C.</u> 6A:26-3.7, -3.12, -4.2, -4.4	

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

**Possible**

<b><u>Cross References:</u></b>	*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.