

Purpose

From time-to-time Foxborough Regional Charter School (FRCS) will have more funds available than are needed to meet current obligations. Such excess funds may be invested in various financial instruments. The purpose of this policy is to set the parameters, responsibilities and controls for the investment of FRCS's funds into cash, cash equivalents and marketable securities. Such investments shall comply with all federal, state law and any applicable rules.

A. General Principles

The Treasurer on the Board of Trustees will routinely and actively monitor the FRCS investment portfolio, relative values of available competing investments, and will recommend adjusting the portfolio. FRCS may engage with an outside investment advisor to provide re-investment options for maturing securities and to purchase securities on behalf on the School, under the direction from the Board of Trustees. FRCS shall avoid any transactions which could give rise to a conflict of interest or impair public confidence.

B. Objective

The Treasurer on the Board of Trustees shall consider safety, liquidity and yield when evaluating investment opportunities. Thus FRCS's investment objectives (by order of priority) are:

- Ensure the safety and preservation of principal
- Maintain adequate liquidity to meet cash flow requirements
- Obtain the best available return consistent with safety and liquidity

C. Investment Instruments

The Treasurer on the Board of Trustees shall choose such investment instruments consistent with the general principles and objectives with the FRCS's investment policy. In all cases, the FRCS investment portfolio may invest in any type of security as allowed by federal and Massachusetts law and regulations. Such instruments may include:

- Term deposits and certificates of deposits of banks and trust companies
- Obligations issued or unconditionally guaranteed by the federal governments of an agency
- Repurchase agreements secured by federal or federal agency securities

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- Participation units in the Massachusetts Municipal Depository Trust or in shares in SEC-registered money market funds with the highest possible rating from at least one nationally recognized rating organization
- Tax-exempt bonds as defined in IRC §150(a)(6), other than "specified private activity bonds" as defined in IRC §57(a)(5)(C), rated at least "AA" or "Aa2" by S&P and Moody's, respectively
- Obligations of any state or political subdivision thereof rated at least "AA-" and "Aa3" by S&P and Moody's, respectively
- Senior debt obligations and participation certificates issued by an agency or instrumentality established by an act of Congress, including but not limited to the Federal National Mortgage Association, Federal Home Loan Bank, Federal Home Loan Mortgage Corporation, Federal Farm Credit Bank System, Student Loan Marketing Association, World Bank or Federal Agricultural Mortgage Corporation, in each case rated not lower than the second highest category, at the time of acquisition thereof, by at least one nationally recognized rating agency
- Notes issued by corporate entities rated at least "AA-" and "Aa3" by S&P and Moody's, respectively

D. Diversification

FRCS shall maintain a diverse investment portfolio to minimize the risk of loss resulting from over investment in any given instrument, unless the Board prudently determines that, because of special circumstances, the purposes of the funds are better served without diversification.

E. Custody of Securities

FRCS may choose to purchase investments directly from or through selected financial institutions. In these situations, such institutions are authorized to hold FRCS's investments in custody on behalf of the FRCS, as long as the FRCS has reasonably determined that such holdings are distinct from the bank's operating accounts and are reasonably protected against any claims or bankruptcy proceedings involving such bank.

F. Roles and Responsibilities

The Treasurer of the Board will be responsible for the following:

- Ensuring that investments are made in accordance with this policy
- Review investment activities, allocations, and overall compliance with the Board at at least annually

G. Exception Management

The Treasurer is responsible for the implementation and adherence to this policy, criteria, and procedures herein. Any exceptions, revisions or amendments to this policy or its parameters must be approved by the Board.

H. Ethics and Conflict of Interest

FRCS shall engage in socially responsible investment choices. The Treasurer on the Board of Trustees shall present the holdings of the FRCS investment portfolio to the Board of Trustees from time to time but, at a minimum, annually.

All FRCS officers and employees involved in the investment process shall refrain from personal business activity that may conflict with the investment process or which could impair their ability to make impartial investment decisions. No officer or Board of Trustee member shall have any interest in, or receive compensation from, any investments which FRCS invests with.