
INVESTMENT POLICY

Sage Oak Charter Schools (“SOCS” or the “Charter School”) adopt this Investment Policy for the purpose and objectives detailed herein.

PURPOSE

This policy is designed to govern the investment of funds held by SOCS. This policy is based upon federal, state, and local laws and prudent money management practices. To the extent that this policy conflicts with applicable law, the applicable law shall prevail. The primary goals of this policy are:

1. to protect the principal deposits of the Charter School;
2. to assure compliance with all applicable state, federal, and local laws governing the investment of monies; and
3. to generate investment income within the parameters of this Policy.

INVESTMENT OBJECTIVES

The Charter School's primary investment objective shall be to maintain the safety and liquidity of its funds. The safety of principal is the foremost objective of the School. The investment factors the Charter School shall consider, in order of descending importance, are the following:

1. safety of invested funds;
2. sufficient liquidity to meet future cash flow requirements; and
3. attain maximum yield consistent with the aforementioned requirements.

The Superintendent (or designee) of the School, under the direction of the Governing Board, shall have the responsibility for all decisions and activities performed under the Charter School's Investment Policy. The Superintendent (or designee) shall have the ability to allocate resources or delegate responsibility (including to qualified third-party advisors acting as fiduciaries to the Charter School) as necessary to optimize the safety and liquidity of the investment portfolio and to implement this Investment Policy.

AUTHORIZED ACCOUNTS

The School may hold its funds in any of the following accounts, in the manner that best balances the above objectives of safety, liquidity, and investment return:

1. The investment pool managed by the County Treasurer-Tax Collector of the county in which School’s authorizer is located;
2. Depository accounts at one or more FDIC-insured banking institutions;
3. Custodial depository accounts held by a nationwide banking institution and invested solely in Authorized Investments as defined below.

INVESTMENT POLICY**AUTHORIZED INVESTMENTS**

Given the public nature of the Charter School's funds, for purposes of authorized investments, the Charter School has elected to adhere to the legal requirements applicable to public funds held by school districts. Pursuant to California Education Code Section 41015, the Charter School may thus invest any surplus monies not required for the immediate operational necessities of the Charter School in any of the investments specified in California Government Code Sections 16430 or 53601. Links to all three Code sections are included as a part of this Investment Policy.

1. [California Education Code Section 41015](#)
2. [California Government Code 16430](#)
3. [California Government Code 53601](#)

When depositing proceeds from the issuance of debt, the Charter School shall limit such investments to those authorized investments identified in this Investment Policy. Should a trust agreement of a particular debt issued by the Charter School be more restrictive than the Charter School's policy on authorized investments, then the trust agreement will take precedence.

INVESTMENT REVIEWS

The Superintendent (or designee) will review reports on investment performance and present the same to the Governing Board in a timely manner and at least monthly.

CHANGES TO INVESTMENT POLICY

This Policy will be reviewed at least annually to ensure its consistency with the objectives of income, growth, and safety, and changes in applicable laws and financial trends. Any proposed amendments to the Investment Policy will require approval by the Governing Board.

INVESTMENT AND FIDUCIARY STANDARDS

Investments shall be made with judgment and care, under circumstances then prevailing, which persons of prudence, discretion, and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the probable safety of their capital as well as the probable income to be derived from the investment.

Any person or firm retained for purposes of investing or making recommendations for the investment or monitoring of the Charter School's assets will be held to the higher standard of a prudent expert. Such person or firm will exercise the judgment, care, skill, prudence, and diligence under the circumstances then prevailing, which persons of prudence, discretion, and intelligence, acting in a like capacity and familiar with such matters would use in the conduct of

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an enterprise of like character and with like aims.

The Superintendent (or designee) may choose to utilize a professional financial advisor (the “Advisor”) to assist in strategic investment planning. This includes providing assistance in maintaining the investment policy, assisting with asset allocation strategy, coordinating the efficient transfer of funds, monitoring federal interest rebates, and other compliance activities as required. The Advisor will act as a fiduciary with regard to the oversight of Charter School assets and will maintain investment discretion as to asset allocation within the guidelines of this Investment Policy. The Advisor should feel free to recommend appropriate changes to the Investment Policy to the Superintendent (or designee) for further consideration.

The Charter School may terminate an Advisor or related investment relationship at any time for any reason, including, but not limited to, the following:

1. Qualitative changes – personnel changes or other organizational issues of the firm;
2. Quantitative changes – underperformance relative to investment objectives and style deviations;
3. Policy issues – violation of investment policies or legal issues; and
4. Communication – failure to adhere to reporting requirements.

Such investment duties shall be discharged with respect to the Charter School solely in the interests of the Charter School. The investment process shall be mindful of defraying reasonable expenses of administering the investment and assets of the Charter School.

FINANCIAL PROFESSIONALS' COMPLIANCE WITH INVESTMENT POLICY

All outside Advisor(s) and other financial professionals employed or retained by the Charter School in a position that may involve an investment of funds and/or its representatives, including without limitation municipal advisors, underwriters, bond counsel, and disclosure counsel, must review this policy and sign a "Statement of Compliance" confirming that they have reviewed this Investment Policy and will fully comply with these policies.