**INVESTMENT POLICY STATEMENT**

**Policies & Procedures**

**for**

***Denver School of Science and Technology, Inc.***

***(DSST)***

**May 2017**

1. Purpose

To replace the previous Investment Policy and to establish new policies and procedures for the deposit and investment of DSST’s public funds.

1. Scope

These policies and procedures are applicable to any funds in DSST’s custody, possession, or control; any funds over which DSST has investment control; any funds over which DSST would have investment control but for the delegation of that control to another person; and any funds over which another person exercises investment control on behalf of or for the benefit of DSST.

1. Policy

All deposits and investments must be within the policies established herein and in all events must be in compliance with CRS 24-74-601 et seq. In the event of any conflict or inconsistency between CRS 24-74-601 et seq. and this Policy, CRS 24-74-601 et seq. will control.

It is the Policy of DSST to invest funds which are not required for general business purposes in the next 90 days.

All funds not invested will be deposited with a financial institution is insured by the FDIC, and that meets the conditions of Colorado’s Public Deposit Protection Act and is in compliance with CRS 11-47-101 et seq .

1. Investment Objectives

In order of priority, the objectives of DSST’s investment program seek:

1. Preservation of capital
2. Liquidity / Marketability
3. Maximization of total return
4. Preservation of Capital
5. At the time of purchase, each long term security issued by a governmental entity must carry at least two credit ratings at or above "A" or its equivalent from nationally recognized statistical rating organizations.
6. At the time of purchase, each long term security issued by a corporation or bank must carry at least two credit ratings at or above "AA- or Aa3" or its equivalent from nationally recognized statistical rating organizations.
7. At the time of purchase, each money market instrument such as commercial paper or bankers' acceptance must carry at least two credit ratings at or above "A-1, P-1, F-1" or its equivalent from a nationally recognized statistical rating organization.
8. If a security is downgraded below these levels management is authorized to take whatever action is deemed prudent to promptly bring the portfolio back into compliance.
9. Liquidity and Maturity
10. When made, all investments shall be in instruments which mature in less than five years (governmental/agency/ securities) or three years (corporate and bank securities).
11. Investments will have maturity dates that are consistent with the need for funds as defined by the most recent Board approved budget and long range forecast.

7.0 Types of investments

"Security" means any bill, note, bond, bankers' acceptance, commercial paper, repurchase agreement, reverse repurchase agreement, securities lending agreement, guaranteed investment contract, guaranteed interest contract, annuity contract, funding agreement, certificate of indebtedness or other evidence of indebtedness, or interest in any of the foregoing. No foregoing instrument shall be convertible to equity or represent any equity interest. All foregoing instruments shall be denominated in the currency of the United States.

Selected approved securities include:

* US Treasury Securities
* Federal Agency Securities
* Local Government/Municipal Securities
* Commercial paper
* Corporate and bank Securities
* Money market funds (constant share price)
* Bank deposit programs

1. Diversification
2. Securities issued by one issuer or a group of issuers from the same holding company are limited to a maximum weighting of 5% of the portfolio at cost.
3. If 5% of the portfolio (at cost) is less than $100,000 par value, the maximum investment is increased to $100,000 (par value).
4. There is no limit to the percentage of the portfolio that may be maintained in U.S. Treasury Securities, U.S. Agency Securities or SEC registered money market funds.

9.0 Administration

The CEO, CFO or members of their staff as authorized by them, are authorized to approve increases or decreases in the amount of funds being invested, consistent with all other provisions of this Policy.

Wells Fargo is the initial custodian and book of record.

The custodian will provide monthly reporting detailing the account(s) value and change from the prior period and demonstrating compliance with this Policy. The custodian will provide tax reporting after each June 30 and December 31.

DSST Management will prepare compliance and performance reports no less frequently than quarterly and submit them for review to the Finance Committee of the Board.

Changes to the Investment Advisor or the Custodian will be approved in advance by the Finance Committee of the Board.

Signatures:

Wells Fargo Denver School of Science and Technology, Inc.

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