

**CAYUCOS SANITARY DISTRICT**

**INVESTMENT POLICY  
ROLES AND RESPONSIBILITIES OF INVESTMENT TEAM  
(REVISED OCTOBER 17, 2013)**

**I. BOARD OF DIRECTORS:**

- A. Shall meet bi-annually to review all data and information provided and to establish the investment or reinvestment limits for instruments and securities.
- B. Shall review and approve monthly financial and investment reports.
- C. Shall annually review, and if necessary, revise the Investment Policy.
- D. Shall appoint the Finance Committee members annually.
- E. Shall take immediate action to rectify any unlawful investment activities.

**II. FINANCE COMMITTEE:**

- A. This Committee shall consist of two (2) sitting Board members appointed by the Board and the District Manager/Investment Officer. Authority to manage the investment program is vested in the Finance Committee.
- B. The Finance Committee, with the advice of investment brokers and registered investment advisors, shall authorize the purchase of investments and securities within the monetary limits established by the Board of Directors.
- C. The Finance Committee shall work together to receive and disseminate the information concerning investment or reinvestment.
- D. Shall make recommendations to the Board as to investment strategies.
- E. Is responsible for the overall management and operation of the investment program and shall act in accordance with established written procedures and internal controls for the operation of the investment program consistent with the District's Investment Policy.

**III. DISTRICT MANAGER/INVESTMENT OFFICER:**

- A. Shall monitor the investment activities of the District to ensure compliance with all applicable California Government Codes, law and regulations.

- B. Shall stay informed of legislation and investment activity of the District to ensure that this policy, all applicable California Government Codes, laws, regulations, and the Board's directives are complied with.
- C. Shall facilitate transfer of monies between funds and investment institutions, as authorized under this policy, and as directed by the Board of Directors and Finance Committee.
- D. Shall monitor the budget to forecast cash flow requirements.
- E. Shall inform the Board of Directors and the Finance Committee of any changes in legislation that might affect this policy, or any activity that does not conform to this policy, applicable California Government Codes, laws and regulations.
- F. Shall maintain records and reports of all investment transactions and activity.
- G. Shall attempt to match District investments with anticipated cash flow requirements.
- H. Shall prepare an investment report at least quarterly, that provides an analysis of the status of the current investment portfolio and transactions made over the last quarter.

**IV. INVESTMENT BROKERS AND REGISTERED INVESTMENT ADVISORS (OUTSIDE CONSULTANTS)**

- A. Shall provide recommendations to the District Manager/Investment Officer, Finance Committee and the Board of Directors to aid in investment decisions.
- B. Shall ensure that all transactions handled by his or her company, on behalf of the District, are in compliance with all applicable California Government Codes, District Investment Policy, and all applicable laws and regulations.
- C. Shall coordinate all activity through, and take direction from District Manager/Investment Officer, Finance Committee and Board of Directors as authorized by this policy and Board action, so long as the direction does not violate any applicable California Government Code, District Investment Policy, or any other applicable laws or regulations.
- D. Shall provide comprehensive written monthly reports that reflect all activities and the status of investment under his or her control. Such reports which may be provided by the account custodian or other third party shall be delivered to the District office no later than the tenth day of the month following the reporting period.

- E. Shall not self-custody any of the District's assets without the specific and explicit approval of the full Board of Directors.

**V. AUDITOR (OUTSIDE CONSULTANT):**

- A. Shall examine records of the various accounts and investments of the District on an annual basis to ensure compliance with this policy and all applicable California Government Codes, and in accordance with all applicable accounting principles and auditing standards.
- B. Shall notify and report to the District Manager/Investment Officer, Finance Committee and the Board of Directors of any discrepancies.