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## ASSET MANAGEMENT POLICY

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### SECTION 1. BEN FRANKLIN ACADEMY

#### MISSION

The mission of Ben Franklin Academy is to develop young adults with character like America's founding Renaissance man, Benjamin Franklin: well-read, scientifically curious, and civically engaged.

#### VISION

Our students will excel academically through a challenging, sequenced curriculum that emphasizes math, science, the arts, and literacy. We will be a data-driven institution, focusing on individual students. Our students, teachers, parents, staff, and leaders will be held accountable for the success of our school. Finally, we recognize that an education is incomplete without fostering social emotional development, character, sports, and nature.

#### PURPOSE

The purpose of this policy is to ensure the proper safekeeping and protection of Ben Franklin Academy's (BFA) assets. In addition, the policy will establish guidelines around which to invest BFA's financial liquid assets in order to achieve the following goals:

- Preserve the principal amount of invested capital;
- Accept an appropriate level of risk that is within legal limits appropriate for a public school, given the nature and time horizon of the invested capital; and
- Earn a better return on invested capital than that which would be achieved from a savings deposit account.

### SECTION 2. ASSET MANAGEMENT PROCEDURES

The BFA Board of Directors (Board) recognizes the importance of prudent and profitable investment of Douglas County School District (District) monies and its responsibility in overseeing this part of the District's financial program. This policy shall apply to the revenue from investment of all financial assets and all funds of BFA over which it exercises financial control.

#### A. Legal Investments

All district funds allocated to a specific use but not earmarked or assigned shall be deposited and invested in accordance with state law. The Business Manager or other administrator appointed by the Board shall comply with state statute C.R.S. §24-75-601 *et seq.*

#### B. Safety of Principal

BFA shall not enter into investment transactions which may expose the school to undue credit risk. BFA shall investigate the condition and creditworthiness of financial institutions and investments before committing funds.

C. Reserves

BFA shall continue to set aside amounts as mandated by the state for TABOR reserves. TABOR funds will remain in cash or Local Government Investment Pool (“LGIP”).

D. Yield

Investments shall occur in a manner that enables the invested funds to earn a market rate of interest throughout the budget cycle, after consideration is given to items A, B, and C above.

E. Liquidity of Funds and Minimum Cash

Adequate funds shall be kept available to pay BFA’s financial obligations when due. Before entering into any investment transaction, BFA’s cash needs shall be determined and taken into account. It is prudent for BFA to keep a certain level of operating cash on hand at any point in time.

BFA shall keep a minimum level of cash on hand (“Minimum Cash”) of four (4) months average operating expenses (for purposes of this calculation, non-recurring capital expenditures may be excluded). For purposes of Minimum Cash, at least 50% shall be held in cash, as defined in Section F below, and not more than 50% may be held in an LGIP and not more than 50% may be held in an LGIP pool designed to provide daily liquidity (such assets are liquid within one (1) day provided the request for funds comes by 11:00 a.m. Mountain).

F. Cash Definition

Cash and cash equivalents are monies that are immediately available and may include the following types of accounts; checking, savings, and money market accounts. All bank accounts shall be FDIC insured and subject to the Public Deposit Protection Act.

G. Investment Guidelines for Investable Assets

Beyond Minimum Cash, all amounts will be referred to as “Investable Assets”.

For Investable Assets beyond Minimum Cash and for the amount of capital in the TABOR Reserve, the following investments may be made to the extent permitted by law as “Permitted Investments”: Commercial Paper, Money Market Funds and Board-approved LGIP investments with fixed-rates, fixed maturities.

The following LGIPs are Board-approved, as may be amended by the Board: ColoTrust, CSAFE, and CSIP. CSIP Term portfolio selections shall be managed in accordance with guidance provided to the Business Manager from the Board.

H. Deposit/Withdrawal Processes

Deposits and direct investments beyond Minimum Cash into Permitted Investments will be done directly by the Business Manager following the appropriate calculation with Board review. Withdrawals require formal approval and signature by the Board President, treasurer, and Principal.

I. Reporting

The Board shall be kept informed of all investments and yields through periodic reports, at least quarterly. These reports shall be formatted in a manner that allows the Board to evaluate the success of its investment practices in light of its stated objectives.

LEGAL REFS:           C.R.S. §11-10.5-101, *et seq.*  
                              C.R.S. §11-47-101, *et seq.*  
                              C.R.S. §24-75-601, *et seq.*

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