

**SCHOOL DISTRICT OF BAYFIELD**  
**TRUST FUND INVESTMENT POLICY**  
**FOR OTHER POST EMPLOYMENT BENEFITS**

The School Board realizes that funds held in trust place a high degree of accountability on those having a stewardship responsibility. The Government Accounting Standards Board (GASB) now requires full disclosure of Other Post Employment Benefits (OPEB) liabilities. It is incumbent upon the Board to develop an investment plan and long range funding goals based upon current and periodically updated actuarial projections identifying and addressing those liabilities. Therefore, the Board establishes a trust fund to meet its future obligation. The Board shall seek professional advice, on a fee for services basis, from appropriately licensed or certified person or firm. The investment advisor shall be registered under 15 USC 80b-3 and have knowledge of school finance regulations. The firm shall work with the Board to develop the appropriate asset mix and fully disclose the volatility or fluctuation of the various asset classes, risk exposure and level of liquidity. The Board shall appoint a trustee who shall not be the investment advisor.

The status of the trust's investment portfolio shall be monitored on a regular basis. The Trustee shall make periodic reports to the Board as deemed appropriate. The report shall be made at the annual meeting, (or the public budget hearing in unified school districts), and shall state the amount in trust, the investment return earnings and the total disbursement made from the trust since the last annual meeting. The report shall also include the name of the investment manager if the investment authority has been delegated. All investment guidelines shall be approved by the Board. The trustee shall be held harmless from any losses that may occur due to the failure of any depository to return capital and/or accrued interest to the district should said trustee of the district follow the guidelines established in this policy or any subsequent Board directives. The Board realizes that at any point in time, the value of invested assets may fluctuate. However, the most important aspect of the investment plan shall be that of protecting the principal.

APPROVED: September 11, 2008

**SCHOOL DISTRICT OF BAYFIELD  
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POST EMPLOYMENT BENEFITS  
GUIDELINES**

The following guidelines are offered for your review and consideration. They are not all inclusive, but should serve as a good starting point for those who will have the responsibility for ensuring that school district funds are appropriately invested.

1. Adopt a trust policy.
2. Complete an actuarial study in conformance with GASB Statement 45. Review and understand the assumptions applied.
3. Create a trust document approved by the Board and submit it to the Department of Public Instruction. [www.dpi.state.wi.us](http://www.dpi.state.wi.us)
4. With the investment advisor, develop trust fund investment guidelines, approved by the board, that identify the investment goals, including an anticipated or required rate of return.
  - ◆ Safety of investments.
    1. Establish level of risk tolerance.
    2. Establish minimum investment credit quality thresholds.
  - ◆ Liquidity of investments.
    1. What is the duration of:
      - a. Each individual investment
      - b. The entire portfolio
  - ◆ Contribution/distribution goals. (Amount and schedule of anticipated investments and distributions).
  - ◆ Reporting requirements. (GASB Deposit and Investment Risk Disclosures).
    1. Periodic reporting to the Board.
    2. Annual public meeting.
  - ◆ What kind of investments should be considered? (portfolio mix)
    1. a. Debt securities
    - b. Equity securities
    - c. Insurance products
    - d. Others
    2. Portfolio target for collateralized or insured investments and the target for unsecured investments.
  - ◆ Consider anticipated rates of return as determined by Safety, Liquidity and Portfolio mix decisions.
  - ◆ Is there an exit strategy (termination fees)?

5. All plans and investments shall be approved by the Board.
6. Develop reporting requirements.
  - ◆ Reporting to the Board
  - ◆ Annual Public Meeting