

ACTIVITY FUND POLICY FOR ESTBLISHING DEPOSITS
AND INVESTMENTS ACCOUNTS

SCHOOLS IN THE COUNTY OF ROCKBRIDGE, VIRGINIA ARE REQUIRED TO ESTABLISH A CHECKING ACCOUNT AT A LOCAL BANK NEAR THEIR RESPECTIVE SCHOOL, FOR THE PURPOSE OF ADMINISTERING THE TRANSACTIONS OF THE SCHOOL ACTIVITY FUNDS. ALL CHECKS WRITTEN SHOULD REQUIRE DUAL SIGNATURES. WE ALSO AUTHORIZE THE PRINCIPAL TO OPEN A SAVINGS ACCOUNT, MONEY MARKET ACCOUNT, OR A CERTIFICATE OF DEPOSIT IN THE NAME OF THE SCHOOL, IF THE PRINCIPAL DETERMINES THAT THERE ARE IDLE FUNDS AT THE SCHOOL. WE DO NOT PERMIT THE PRINCIPAL TO MAINTAIN ANY OTHER TYPES OF INVESTMENTS.

WHEN A SCHOOL HAS OVER \$100,000 IN ANY ONE BANK THE DEPOSITS IN EXCESS OF \$100,000 ARE NOT COVERED BY THE FEDERAL DEPOSIT INSURANCE CORPORATION (FDIC) AND, ACCORDINGLY, ARE EXPOSED TO CUSTODIAL CREDIT RISK BECAUSE THEY ARE UNCOLLATERALIZED. IF THE SCHOOL'S BANK BALANCE APPROACHES THE \$100,000 LIMIT, THE PRINCIPAL SHOULD CONSIDER THE DEPOSIT OF IDLE FUNDS INTO ONE OF THE THREE TYPES OF SAVINGS ACCOUNTS DISCUSSED ABOVE AT A DIFFERENT BANK TO ENSURE PROPER DEPOSITORY INSURANCE COVERAGE IS MAINTAINED.

IT IS UNDERSTOOD THAT CERTIFICATES OF DEPOSIT CURRENTLY HELD BY SCHOOLS MAY BE REINVESTED IN A DIFFERENT BANK AS THEY MATURE.

Adopted: October 3, 2005
