

**FINANCE**

**Financial Policy**

The Trustees for the Everett School Employee Benefit Trust (“Trustees”) serve as the fiduciaries responsible for managing and controlling the Everett School Employee Benefit Trust (“Trust”) and administering the benefits funded directly by the Trust.

The Trustees have all fiduciary responsibilities with respect to the Trust and for the benefits funded directly by the Trust, except for the following:

1. The Everett School District (“District”) and the Everett Education Association (“Association”) are responsible for appointing Trustees; and
2. The investment manager is responsible for those duties and responsibilities assigned to the investment manager under the terms of the Trust document, the Trust’s investment policy and the investment manager agreement.

The Trustees will develop and adopt procedures for carrying out this policy.

Reference: 200.1P Financial Management  
Trust document

Proposed: August, 2005  
Approved: August 29, 2005

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**Financial Management**

1. The Trustees will adopt an investment policy, review the investment policy periodically, and update the investment policy as needed.
2. The Trustees will select, appoint and monitor the Trust's auditor. The Trustees will determine the criteria necessary for selection, appointment and monitoring of the Trust auditor.
3. The Trustees will select and retain an individual to perform the bookkeeping function for the Trust, including preparing Trust financials, preparing and paying Trust bills and interfacing with the Trust's auditors.

Reference: 220 Investment Guidelines  
420 Audits

Legal Reference: WAC 80-60-037

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**Trust Fund Management**

1. The Trustees will select, appoint and monitor investment advisor(s), investment manager(s) and investment consultant(s) pursuant to the Trust document.
2. The Trustees will review investment performance and oversee compliance with the investment policy annually.

References:   200   Financial Policy  
                  210   Loyalty and Prudence  
                  220   Investment Guidelines  
                  420   Audits  
                      Trust document

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**Loyalty and Prudence**

As fiduciaries, the Trustees shall act solely in the interest of participants and their beneficiaries and for the exclusive purpose of providing benefits to participants and their beneficiaries and of defraying reasonable expenses of administering the Trust and the benefits funded directly by the Trust. The Trustees shall act prudently, with the skill and diligence that a prudent person acting in a similar capacity and familiar with such matters would employ.

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### **Investment Guidelines**

#### **Objectives**

The investment objectives of the Trust fund shall be first the preservation of principal and second the management of investment yields consistent with the liquidity needs of the Trust fund and the constraints, if any, provided within the investment guidelines. It is expected that the management style of the Investment Manager will exceed the rate of inflation and the passbook rate of interest with the upper limits of yield expectation being determined by the marketplace.

#### **Liquidity Needs**

It is acknowledged that the liquidity needs of the Trust fund will vary from time to time depending upon circumstances then prevailing. Thus the administrative agent shall periodically confer with the consultant to ascertain if any portion of the assets of the Trust fund, under management by the Investment Manager, shall be required to meet the financial obligations of the Trust fund. Their determination shall be communicated to the Investment Manager, in writing, for appropriate action.

Given the current and foreseeable importance of the need for liquidity of Trust fund assets, the Trustees and Investment Manager shall confer on this subject at least once annually.

#### **Periodic Review**

The Trustees and Investment Manager acknowledges that circumstances that bear on these Investment objectives and guidelines will change from time to time. The Trustees and Investment Manager will review the objectives and guidelines at least once annually.

#### **Guidelines**

The Investment Manager shall invest the available assets of the Trust fund in the following Investment vehicles:

1. Money market funds selected by Investment Manager's Trust Investment Group.
2. For Federated Government Trust Funds
  - a) All U.S. Treasury Issues such as issues backed by the full faith and credit of the U.S. Government.
  - b) Issues of Federal Agencies including:  
Fed Farm Credit Banks

Federal Home Loan Banks  
Federal National Mortgage Association

3. For notes, bond, and debentures (maturities greater than one year).
  - a) All U.S. Treasury Issues and such issues backed by the full faith and credit of the U.S. Government.
  - b) All Federal Agency issues.

Legal Reference: WAC 80-60-037

Previously Adopted and Reprinted herein, August 2005

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**Accounting Period**

The annual fiscal year for the Trust shall be the twelve month period commencing July 1 and ending June 30.

Reference: 230P Accounting  
Trust document Section 7.1

Legal Reference: WAC 80-60-037

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**Accounting Procedure**

The Trustees shall render annually to the District and the Association an account of its administration of the Trust.

Reference:     230     Accounting Period  
                         Trust document Section 4.4

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**Payment For Travel Expenses**

The Trust may pay travel expenses incurred by Trustees while on approved travel for meetings, seminars and conferences. The District's travel procedure is to be followed by Trustees, except that travel requests must be approved by the Trustee and travel expenses must be submitted to the Trust for reimbursement. Payment for meals is based upon per diem rates included in the District's travel procedure; all other allowable expenses shall not exceed the actual incurred expenses. Reimbursement of personal vehicle mileage is limited to current IRS regulations.

Reference: 110.9P Compensation  
7323 Payment for Travel Expenses (District Policy)  
7323P Travel Authorization and Expense Reimbursement (District Procedure)

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