
THE GENERAL ASSEMBLY OF PENNSYLVANIA

SENATE BILL

No. 269

Session of
1981

INTRODUCED BY MOORE, BODACK, GEKAS, LINCOLN, MESSINGER AND
LOEPER, FEBRUARY 3, 1981

AS REPORTED FROM COMMITTEE ON EDUCATION, HOUSE OF
REPRESENTATIVES, AS AMENDED, JUNE 1, 1981

AN ACT

1 Amending the act of March 10, 1949 (P.L.30, No.14), entitled "An
2 act relating to public school system, including certain
3 provisions applicable as well to private and parochial
4 schools; amending, revising, consolidating and changing the
5 laws relating thereto," further providing for investment of
6 school district funds.

7 The General Assembly of the Commonwealth of Pennsylvania
8 hereby enacts as follows:

9 Section 1. Section 440.1, act of March 10, 1949 (P.L.30,
10 No.14), known as the "Public School Code of 1949," amended April
11 25, 1968 (P.L.96, No.46), is amended to read:

12 Section 440.1. [Temporary] Investment of School District
13 Funds.--(a) The board of school directors in any school
14 district of the first class, first class A, second, third or
15 fourth class [may authorize the treasurer of such school
16 district to make temporary investment of school district funds
17 in United States treasury bills, or to place such funds in time
18 accounts or share accounts of institutions insured by the

1 Federal Deposit Insurance Corporation or the Federal Savings and
2 Loan Insurance Corporation to the extent that such accounts are
3 so insured or in certificates of deposit to the extent such
4 certificates are secured by a proper bond in accordance with
5 section 621 of this act or secured by such collateral as is set
6 forth in section 622 of this act when, in its judgment, the
7 interests of the school district will be enhanced thereby, and
8 to dispose of such securities when the funds may be needed by
9 the school district.] shall invest school district funds
10 consistent with sound business practice.

11 (b) The board of school directors shall provide for an
12 investment program subject to restrictions contained in this act
13 and in any other applicable statute and any rules and
14 regulations adopted by the board.

15 (c) Authorized types of investments for school district
16 funds shall be:

17 (i) United States Treasury bills.

18 (ii) Short-term obligations of the United States Government
19 or its agencies or instrumentalities.

20 (iii) Deposits in savings accounts or time deposits or share
21 accounts of institutions insured by the Federal Deposit
22 Insurance Corporation or the Federal Savings and Loan Insurance
23 Corporation or the National Credit Union Share Insurance Fund to
24 the extent that such accounts are so insured, and, for any
25 amounts above the insured maximum, provided that approved
26 collateral as provided by law therefore shall be pledged by the
27 depository.

28 (iv) Obligations of the United States of America or any of
29 its agencies or instrumentalities backed by the full faith and
30 credit of the United States of America, the Commonwealth of

Pennsylvania or any of its agencies or instrumentalities backed
by the full faith and credit of the Commonwealth, or of any
political subdivision of the Commonwealth of Pennsylvania or any
of its agencies or instrumentalities backed by the full faith
and credit of the political subdivision.

~~(v) Shares of an investment company registered under the
Investment Company Act of 1940, whose shares are registered
under the Securities Act of 1933, provided that the only
investments of that company are in the authorized investments
for funds listed in (i) through (iv).~~

(d) In making investments of funds, the board shall have
authority:

(i) To permit assets pledged as collateral under subsection
(c)(iii), to be pooled in accordance with the act of August 6,
1971 (P.L.281, No.72), relating to pledges of assets to secure
deposits of public funds.

(ii) To combine moneys from more than one fund under school
district control for the purchase of a single investment,
provided that each of the funds combined for the purpose shall
be accounted for separately in all respects and that the
earnings from the investment are separately and individually
computed and recorded, and credited to the accounts from which
the investment was purchased.

~~(iii) To join with one or more other political subdivisions
and municipal authorities in accordance with the act of July 12,
1972 (P.L.762, No.180), referred to as the Intergovernmental
Cooperation Law, in the purchase of a single investment,
provided that the requirements of subclause (ii) on separate
accounting of individual funds and separate computation,
recording and crediting of the earnings therefrom are adhered~~

1 ~~to.~~

2 (e) Any such purchase or sale shall be made by the treasurer
3 of the school district on a resolution adopted by the board of
4 school directors.

5 Section 2. This act shall take effect in 60 days.