

Office of the Superintendent of Schools
MONTGOMERY COUNTY PUBLIC SCHOOLS
Rockville, Maryland

September 5, 2019

MEMORANDUM

To: Members of the Board of Education
From: Jack R. Smith, Superintendent of Schools
Subject: Centralized Investment Fund (FMC-05-06-19-04)

Question

Ms. Dixon would like to include a look at the Central Investment Fund and earned interest at the Fiscal Management Committee meeting in September.

Response

In Fiscal Year (FY) 2019, through negotiations with our banking institutions and close monitoring of our daily cash flow, Montgomery County Public Schools (MCPS) has started to earn significant interest for our Operating Budget and Centralized Investment Fund. By the close of FY 2019, it is estimated that the MCPS Operating Budget will have earned more than \$1.1 million in interest, based on a 2.4 percent rate of interest. In addition, at the close of FY 2019, investments in the Centralized Investment Fund are estimated to have earned \$126,999 in interest, based on a 1.41 percent rate of interest.

This keeps MCPS in compliance with the provisions of Montgomery County Board of Education Policy DIG, *Operating Funds Investments*. An objective of Policy DIG seeks to “manage[d] the funds in a manner to attain a market rate of return consistent with legal restrictions, risk, and prudent investment practices...”

If you have questions, please contact Ms. Nicola Diamond, chief financial officer, at 240-740-3160.

JRS:ND:TPK:jp

Copy to:

Dr. McKnight
Dr. Zuckerman
Ms. Diamond
Ms. Webb