

BP 3.5 Investment Management

Legal Authority NCGS 115D-20

Approvals 08/20/99
Revision

Policy

The purpose of the policy is to establish policies and guidelines for investment of available funds for the College.

Investment Goal: The investment goal of the College is to safeguard and produce maximum yields from funds in the College's budget within established guidelines and performance criteria.

Funds Available for Investment: Due to the restrictions placed on the College by the North Carolina State Treasurer and the United States Department of Education, the College has a minimal amount of cash not committed to current operations. All state funds are required by specific statutes (G.S. 147.77) to be on deposit with the State Treasurer. Construction funds and special projects funds must be on a reimbursement basis. Federal funds for applicable projects must be requested when needed (i.e., the amount of cash needed for three days). The cash balance must be reported each time federal funds are requested. County Capital and Current Fund allotments are received on a periodic basis.

Consequently, the funds available for investment for any period of time greater than one month are primarily institutional funds.

Investment Discretion: The College's Board has ultimate fiduciary responsibility for the College. Investment discretion is granted to the President and to the Vice President for Finance and Administration within the guidelines and criteria of this policy.

Investment Authorization: Cash available will be invested pursuant to G.S. 159.30, G.S. 159.31, G.S. 147-69.2 and G.S. 147.69.3 as outlined in the Community College Laws of North Carolina 115D-58.6, Investment of Idle Cash.

Criteria for Investment Performance Measures: In investing available College funds, there are criteria for investment performance which are listed below in priority order:

1. Compliance with regulations governing State, local, and federal funds
2. Security of Funds
3. Liquidity of Funds
4. Yield of funds

A report detailing investment actions and performance of investments will be provided annually to the Board.

Selection of Financial Institution: Whenever possible, the selection of the financial institution with which to invest funds will be based on competitive bids.