

INVESTMENT POLICY

Purpose

The purpose of this Investment Policy is to define management responsibility and authority for investment transactions, and to identify investment objectives, strategy and guidelines. This policy pertains primarily to investing operating funds maintained by UA Cossatot.

Responsibility and Authority

Campus management is responsible for the oversight and monitoring of the investing of operating funds, with the Vice Chancellor for Business Services /CFO, having the authority to invest these funds. Individuals identified by the Chancellor in accordance with UA Board Policy 305.1, *Bank Depositories and Fiscal Controls*, have authority to invest funds (Attachment A).

Individuals responsible for managing campus investments will perform their duties in a manner consistent with the standard of a “prudent person”. This standard requires that a fiduciary entrusted with funds for investment may invest such funds only in Securities that any reasonable individual interested in receiving a good return of income while preserving his or her capital would purchase.

Objectives

The investment objectives include safety of principal, maintenance of liquidity, and return on investment. Preservation of the principal investment is most important, so investments should be considered carefully to ensure this preservation. The Vice Chancellor for Business Services /CFO, should also ensure that operating funds remain sufficiently liquid in order to meet current obligations, such as payroll, accounts payable, capital projects, debt service, etc. The funds invested shall be managed to obtain a market rate of return (or higher), taking into account the risk constraints and cash flow requirements.

Strategy and Guidelines

In order to determine the amount of excess cash available for investing, the Vice Chancellor for Business Services/CFO, should develop and utilize a cash management procedure. The cash management procedure shall provide guidelines for forecasting excess cash available. The cash forecasting information will strategically determine the need for short-term investments (three months to one year) and long-term investments (one year or longer).

Cash Management Procedure

UA Cossatot regularly analyzes the unrestricted cash balances to determine adequate cash flow for current operations of 90 to 180 day. UA Cossatot participates in a mixture of the listed

Authorized Investments within this Policy ensuring the Investment deposits within the available instruments align with the term guidelines and recommendations for each type of investment.

Authorized Investments

This policy authorizes investment of operating funds in the following types of securities:

- Insured and collateralized bank deposits
- Money market funds
- Certificates of deposit
- Security repurchase agreements
- Unites States Treasury Obligations
- Unites States Government Agency Obligation
- External investment pool sponsored by the UA Board of Trustees or UA Foundation, Inc.

Collateralization of Bank Deposits

All cash and other bank deposits maintained in any financial institution shall be either insured or collateralized. All bank deposits of the campus in excess of the amount protected by the Federal Deposit Insurance Cooperation (FDIC) shall be collateralized in accordance with this policy. The campus shall have either legal title to, or a prior perfected security interest in, the investments constituting the collateral. Collateral shall always be held by an independent third party custodial agent. A clearly marked safekeeping receipt will be maintained by the campus as evidence of ownership. The right of collateral substitution is allowed with the advanced written permission of the campus.

Competitive Selection of Certificates of Deposit

When choosing to invest in certificates of deposit, multiple banks will be contacted to request rate quotes for the dollar amount and time period for each investment. The funds will be invested with the bank providing the highest rate of return with sufficient securities pledged by the bank.

Summary

Investment decisions and information shall be periodically evaluated by the Vice Chancellor for Business Services/CFO, to determine if the investment objectives of the campus are being met and to provide direction for the campus if changes are needed in order to maximize the total return for all investments.

Policy History:

January 8, 2018 September 12, 2016
July 7, 2014 March 7, 2007

INVESTMENT PROCEDURE

Procedures:

1. UA Cossatot Vice Chancellor for Business Services analyzes the unrestricted cash fund balances regularly to determine adequate amounts to invest in the authorized investment list (per Board Policy) or funds in excess of what is necessary for the day-to-day operations.
2. The Vice Chancellor for Business Services and the Chancellor will select the best type of investment from the list of authorized investments, based on the needs of the college and the term of the investment.
3. When choosing to invest in certificates of deposit, multiple banks will be contacted to request rate quotes for the dollar amount and time period for each investment. The funds will be invested with the bank providing the highest rate of return with sufficient securities pledged by the bank.
4. When choosing to invest in the external investment pool sponsored by the UA Board of Trustees or UA Foundation, Inc., the college will contact the UA System CFO for initiation.

When choosing to invest in other authorized investments, research will be conducted as to terms and rates, then an informed decision will be reached between the Vice Chancellor for Business Services and the Chancellor as to which investment to pursue.

Procedure History:

December 4, 2017
June 8, 2016
