



Administrative Policy

Policy Type: Fiscal Operations
Office Responsible: Cash and Investments
Related Policies: Business Services
Related Procedures:

Policy Statement

The Chancellor provides authority to the Vice Chancellor for Administrative Services to act as an agent of the College in matters relating to cash and investments of the College.

The objective of the investment policy is to ensure that all revenues received are promptly recorded and deposited. Those funds not immediately required to meet payment of obligations will be placed in interest bearing accounts in a manner that will provide the highest investment return with maximum security while meeting the daily cash flow needs of the College and complying with all state statutes governing the investment of public funds.

The primary objectives of College banking and investment activities, in order of priority, are:

- Safety – Investments will be undertaken in a manner that seeks to first and foremost ensure the safety of the principal and the preservation of capital in the overall portfolio.
- Diversification – Investments will be diversified by security type, financial institution, and maturity in order to reduce portfolio and market risks.
- Liquidity – The investment portfolio will remain sufficiently liquid to meet all operating requirements that may be reasonably anticipated.
- Return on Investment – The investment portfolio will be designed with the objective of obtaining a rate of return throughout the budgetary and business cycles, taking into account risk constraints and cash flow characteristics of the portfolio.

Permissible Investments

The College will comply with section 389.142 of the Michigan Community College Act of 1966 No. 331, as amended.

The College will comply with the Divestment from Terror Act of 2008.

The College will not commingle money solely for the purpose of making an investment authorized by this section.

Safekeeping and Custody

All securities should be held in the name of the College by third-party custodians. Securities held in safekeeping by third-party custodians shall be evidenced by safekeeping receipts. The custodian will physically maintain possession of securities owned by the College and collect interest payments. The

custodian may also perform regular accounting of all assets owned, purchased, or sold, as well as the movement of assets into and out of all of the College's accounts.

Change Log

7/16/2007	Initial approval
6/16/2015	Revised
7/1/2018	Effective date (formerly 3.10)