

Policy: 1.19

College Investments

Purpose

The purpose of this Policy is to grant investment authority and establish parameters for college investments.

Policy Statement

The Board of Trustees (the “Board”) authorizes the investment of temporary idle cash to be administered by the President in consultation with the Chief Financial Officer (CFO). The Board authorizes the President or CFO to act as its agent in matters relating to the purchase of investments and acceptance of safekeeping receipts.

The College will ensure that all revenues received are promptly recorded and deposited. Those funds not immediately required to meet payment of obligations will be placed in an interest-bearing account according to the following objectives:

- **Safety:** Investments will be made in a manner which ensures preservation of principal.
- **Liquidity:** Investments will be made after careful consideration of future expected liabilities. The cash position of the College will be maintained at a level adequate to meet these requirements. Maturities on these investments will be selected in such a way as to provide income stability. The President and/or CFO will consult with the Board of Trustees Finance Committee on liquidity.
- **Yield:** Investments will be made with the expectation of a reasonable rate of return while maintaining prudent investment principles.
- **Fiduciary Trust:** Investments will be managed with a degree of professionalism that is worthy of the public trust. Investment officials will avoid any transaction that might erode the public confidence. Investment activities will be performed under appropriate systems of internal controls and will be subject to internal and external audit procedures.

Limitations

Investments will be made in only those instruments authorized by applicable Kansas statutes, including but not limited to:

1. Time deposits and open accounts – a deposit in a banking institution earning interest that cannot be withdrawn until a certain date
2. Certificates of deposit – a savings product that earns interest on a lump sum for a fixed period
3. Repurchase agreements – a short-term borrowing instrument to sell a security and repurchase from the buyer at an agreed price that includes interest
4. Temporary notes or no-fund warrants – short-term loans issued by the banking institution repaid with interest
5. U.S. Treasury notes or bills – intermediate term U.S. debt securities available in various maturities, backed by the U.S. government and paid back with interest over time
6. The Kansas Municipal Investment Pool – short-term investment pool backed by securities that earn interest

The portion of funds at the Kansas Municipal Investment Pool should not regularly exceed 10% of total funds available for investment.

Investments will be made with FDIC insured banks or savings and loans, or as otherwise permitted in law. The College will seek the most competitive rates available.

Board Approved: 03/21/2023