Procedure:	Investment Procedure	**Reference No.:**	5.14
Authority:	Finance & Facilities Committee, Board of Trustees, College President	**Cross Reference:**	Policy 1.23
Approved:	September 22, 1993		
Revised:			

GUIDELINES AND PROCEDURES:

1. Funds To Be Invested

   To the extent the Treasurer has in his/her possession funds beyond that which are necessary to meet payment of current obligations of the College or for disbursements otherwise required, such funds shall be invested by said Treasurer in acceptable investment instruments. Every effort shall be made to minimize idle cash by depositing and maintaining funds in interest-bearing accounts or investments in a timely manner.

2. Acceptable Investment Instruments

   Acceptable investment instruments for the investment of monies by the Treasurer are as follows:

   A. Certificates of Deposit issued by a bank or trust company located and authorized to do business in New York State.

   B. Time Deposit Accounts in a bank or trust company located and authorized to do business in New York State.

   C. Repurchase Agreements involving the purchase and sale of direct obligations of the United States.

   D. Obligations of the United States of America.

   E. Obligations guaranteed by agencies of the United States of America where the payment of principal and interest are guaranteed by the United States of America.

   F. Obligations of the State of New York.

   G. Other instrument(s) as approved by the Finance & Facilities Committee of the Board of Trustees and authorized by General Municipal Law (Sections 10 and 11).

3. Timing of investments

   The Treasurer shall maintain a portfolio of short and long term investments when possible. Investments made by the Treasurer shall generally mature or otherwise be available for sale or redemption without penalty at such times as funds invested are required for disbursement.

4. Collateral requirements

   Certificates of Deposit and Time Deposit Accounts shall be fully secured by insurance of the Federal Deposit Insurance Corporation, an eligible surety bond, or by obligations of federal agencies the principal and interest of which are guaranteed by the United States, obligations of any municipal corporation, school district or district corporation of the State of New York, obligations of a public authority of the State of New York or by obligation of a public housing authority of the State of New York.

   Collateral shall be physically delivered to an held by the Treasurer in a safe and secure place or shall be deliver to a custodial bank or trust company with which the College has a custodial agreement. Said custodial institution shall provide written confirmation to the Treasurer the obligations held in such institution as collateral for investments of the college.

   The market value of collateral held shall at all times equal or exceed the principal of the certificate of deposit plus accumulated interest or time deposit for which such collateral is being held. Market value shall mean the bid or closing price as quoted in the Wall Street Journal or a quote by another recognized pricing service.

   With the approval of the Treasurer obligations which are acceptable collateral as described above may be substituted by the bank or trust company from which an investment instrument was acquired for obligations held as collateral for such investment instrument, provided the market value of the substituted collateral continues to exceed the principal of the investment instrument for which the collateral is being held. Written confirmation of such substitutions shall be made by the custodial institution to the Treasurer.

5. Payment for delivery of obligations of Certificates of Deposit purchased

   In instances when the Treasurer has purchased obligations pursuant to a Repurchase Agreement, payment shall be made to the seller only upon the seller's deliver of obligations to the custodial bank or trust company designated by the Treasurer, or in the case of a book entry transaction, when the obligations are credited to the custodian's Federal Reserve Bank account. A Repurchase Agreement is for specific obligations and the seller shall not be entitled to substitute obligations for the obligations originally purchased.

In instances when the Treasurer has otherwise purchased obligations or has purchased certificates of deposit, payment shall be made upon the deliver thereof to the Treasurer or to a custodial bank or trust company designated by the Treasurer in the case of a book-entry transaction, when the obligations are credited to the custodian's Federal Reserve Bank account.

Whenever obligations owned by the College are held by a custodian, such custodian shall confirm all transactions in writing to insure that the College ownership of such obligations is properly reflected on the records of the custodian. Such custodian shall not transfer obligations without prior written authorization of the Treasurer.

6. Contracts required

Written contracts shall be required for:

A. The purchase and sale of obligations through Repurchase Agreements.
B. The purchase of Certificates of Deposit.
C. Custodial Agreements.

All such contracts shall be executed by the Treasurer of the College and duly recorded by the Finance and Facilities Committee of the Board of Trustees at an official meeting. Upon request of the Treasurer, the county Attorney shall review such contracts and offer such legal advice relative to the form and content of such contracts.

7. Custodial Institutions

The Treasurer shall from time to time enter into contracts with banks or trust companies licensed to do business in the State of New York to act as custodian of obligations owned by the College or of obligations pledged as collateral for certificates of deposit or time deposit accounts. Custodians must be member banks of the Federal Reserve Bank or maintain accounts with member banks. A custodial contract shall not be entered into for the holding of an investment instrument with the same party from which such investment instrument is acquired, provided that a custodial contract may be entered into with the Trust Department of the seller of the instrument provided that the Trust Department is a separate corporate entity. At the request of the Treasurer, custodial institutions shall verify obligations held on behalf of the College as property of the College or as collateral for an investment instrument of the College.

8. Financial Strength of Institutions

The financial statements of all trading partners, banks and trust companies with which the College transacts investment business shall be reviewed at least annually by the Treasurer to determine the financial strength and/or credit worthiness of the institution.

9. Special Provisions relating to Repurchase Agreements

   Repurchase Agreement shall be for a term of thirty (30) days or less.

   All repurchase agreements must be entered into subject to a Master Repurchase Agreement. Trading partners are limited to banks or trust companies authorized to do business in New York State and primary reporting dealers.

   Obligations shall be limited to obligations of the United States of America and obligations guaranteed by agencies of the United Stated of America.

   No substitution of securities will be allowed.

   The custodian shall be a party other than the trading partner.

10. Competition for Acquisition and Sale of Investment Instruments

    The Treasurer, on behalf of the College, shall encourage the acquisition or sale of investment instruments, except for the direct purchase of obligations, through a competitive process. The Treasurer shall endeavor to insure competition amongst all interested eligible institutions for the acquisition or sale of investment instruments and shall make every reasonable effort to solicit by telephone at least three quotations for every investment transaction except for the acquisition of an investment instrument of $100,000 or less with a maturity date less than or equal to 90 days from the date of acquisition for which competition shall be at the discretion of the Treasurer. Unless an institution submitting a quotation is unable to meet the requirements of this policy or such other reasonable written requirement as the Treasurer prescribed, the acquisition of an investment instrument shall be from the institution whose quotation will result in the highest yield or return to the College on funds invested, or in the case of a sale of an investment instrument, such sale shall be to the institution whose quotation shall produce the largest net proceeds from sale. All costs associated with wiring of funds and/or the procuring of the investment shall also be accounted for in determining the winning bid.

    The Treasurer shall tabulate all quotations and shall make the results of all quotations available to any interested institution submitting a quotation.

11. Investment Records to be Kept

    In addition to documentation of competitive quotations for the acquisition and sale of investment instruments, the Treasurer shall maintain a proper records of each investment sufficient to manger the investment portfolio and provide a complete audit trail including, but not limited to:

    A. The institution the investment instrument was acquired from.
    B. The type of investment.

C. Yield and maturity date for the investment instrument.
D. The custodial institution holding the investment instrument or the collateral for such instrument and the type of obligations held as collateral.

12. Report to be provided

The Treasurer shall prepare a monthly report to the Finance and Facilities Committee of the Board of Trustees reflecting, as of the last day of such month, an inventory of investment instruments and a statement of investment income earned for the given month and cumulative total interest earned since the beginning of the current College fiscal year.

13. Internal Controls to be maintained

The Treasurer shall establish, document and maintain within his/her office a system of internal controls which provides for segregation of duties with respect to investment activities, cash receipts and accounting.

14. Audit of Policy compliance and initiation of Corrective Action

The College's independent Auditor, shall audit the records of the Treasurer to determine compliance with the provisions of this policy as part of its regular audit engagement. The College's Independent Auditor shall include any audit findings in its reporting to the Board of Trustees.

15. Clarification of Policy

Any questions relative to the intent of this policy or any requests for clarification of this policy shall be subject to a determination of the Finance and Facilities Committee of the Board of Trustees.