

SUNY BROOME

(POLICY)

Policy:	Investment Policy	Policy No.:	F16006
Authority:	SUNY Broome Community College Board of Trustees		
Policy Owner	President	Responsible Party:	Finance
Approved:	September 23, 1993		
Revised:	February 15, 2024		

Purpose The purpose of this policy is to ensure the proper investment of all College moneys and other financial resources with the objective of safeguarding principal, providing sufficient cash flow to meet operating needs and to obtain competitive rates of return. Except as otherwise prohibited or regulated by federal or state law or regulation or by court order, this policy applies to all monies and other financial resources available for deposit and investment by the Vice President for Administrative and Financial Affairs (VPAFA), whose duties and responsibilities include designation by the Board of Trustees as Treasurer of the College, on behalf of the College. The VPAFA/Treasurer shall temporarily invest funds in his/her possession in certain acceptable investment instruments as outlined in this policy. In investing such funds, the VPAFA/Treasurer shall concurrently pursue the following objectives in priority order:

- To comply with all applicable provisions of law;
- To safeguard the principal of all deposits and investments;
- To provide sufficient liquidity so as to ensure that all monies invested are available to meet expenditures as they come due; and
- To obtain the maximum rate of return that is consistent with the preceding objectives.

I. Delegation of Authority The SUNY Broome Community College (College) Board of Trustees responsibility for administration of the investment program is delegated to the VPAFA, who is also designated as the Treasurer of the College, who shall establish **written procedures (link)** for the operation of the investment program consistent with this policy and be responsible for the oversight of the management and investment of the portfolio. Such procedures shall include an adequate internal control structure.

II. Internal Controls The internal controls shall provide a satisfactory level of accountability based on a record incorporating descriptions and amounts of deposits, interest rates and other information necessary to manage the College’s portfolio and to identify the sources of all funds being invested. All monies collected are to be deposited in a College account. In addition, the internal control procedures shall describe the responsibilities and levels of authority for key individuals involved in the investment program. The internal control procedures shall provide

reasonable, but not absolute, assurance that deposits and investments are safeguarded against loss from unauthorized use or disposition, that transactions are executed in accordance with management's authorization, properly recorded, and managed in compliance with applicable laws and regulations.

III. Prudence All participants in the investment process shall at all times act responsibly as custodians of the public trust and shall avoid any transaction that might impair public confidence. Investments shall be made with prudence, diligence, skill, judgment and care, under circumstances then prevailing, which knowledgeable and prudent person acting in like capacity would use, not for speculation, but for investment, considering the safety of principal as well as the income to be derived. All participants involved in the investment process shall refrain from personal investment activity that could conflict with proper execution of the investment program or which could impair their ability to make impartial investment decisions

IV. Diversification It is the policy of the College to diversify its investments and deposits to the extent practical by financial institution, maturity, and type of investment to eliminate the risk of loss resulting from over concentration of assets in a specific bank or trading partner or a specific maturity. Unless otherwise approved by the Board of Trustees there will be a \$30 million limit per financial institution.

V. Permitted Investments Except as otherwise may be provided in this policy, monies not required for immediate expenditures may be invested in any of the following:

1. Special time deposits or certificates of deposit in a bank, trust company, or national banking association (a "bank") located and authorized to do business in the State of New York;
2. Through a Deposit Placement Program, certificates of deposit in one or more "banking institutions", as defined in Banking Law Section 9-r;
3. Obligations of the United States of America;
4. Obligations guaranteed by agencies of the United States of America where the principal and interest is also guaranteed by the United States of America;
5. Obligations of the State of New York.

All investment obligations shall be payable or redeemable, at the option of the VPAFA/Treasurer, or other persons so designated, within such time as the proceeds shall be needed to meet expenditures for the purpose for which the monies were provided. The investment portfolio duration shall not exceed two (2) years without prior College Board of Trustee's approval.

VI. Authorized Financial Institutions and Dealers The VPAFA/Treasurer shall maintain a list of banks and other trading partners approved for investment purposes. All banks and trading partners with which the College conducts business must be credit-worthy, and have an appropriate level of experience, capitalization, size and other factors that make the financial institution or the dealer capable and qualified to transact business with the College. . All banks with which the College does business shall provide their most recent Consolidated Report of Condition (Call Report) to the VPAFA/Treasurer at his/her request. Trading partners not affiliated with a bank shall

be recognized as primary dealers designated by the Federal Reserve Bank of New York. The VPAFA/Treasurer or his/her designee is responsible for periodically evaluating the financial positions of banks and trading partners with which the College does business and, based on such evaluations, for revising the list of eligible banks and trading partners as deemed appropriate.

VII. Securing Deposits and Investments All deposits and investments made by the College that are in excess of the amount insured under the provisions of the Federal Deposit Insurance Act shall be secured by:

1. A pledge of “eligible securities” with an aggregate “market value” (as provided by the GML Section 10) that is at least equal to the aggregate amount of deposits.
2. A pledge of a pro rata portion of a pool of eligible securities, having in the aggregate a market value at least equal to the aggregate amount of deposits at the bank or trust company.
3. An “eligible surety bond” payable to the government for an amount at least equal to 100 percent of the aggregate amount of deposits and the agreed-upon interest, if any, executed by an insurance company authorized to do business in New York State, whose claims-paying ability is rated in the highest rating category by at least two nationally recognized statistical rating organizations.
4. An “eligible letter of credit,” payable to the College as security for the payment of 140 percent of the aggregate amount of deposits and the agreed-upon interest, if any. An “eligible letter of credit” shall be an irrevocable letter of credit issued in favor of the College, for a term not to exceed 90 days, by a qualified bank (other than the bank where the secured money is deposited). A qualified bank is either one whose commercial paper and other unsecured short-term debt obligations (or, in the case of a bank which is the principal subsidiary of a holding company, whose holding company’s commercial paper and other unsecured short-term debt obligations) are rated in one of the three highest rating categories by at least one nationally recognized statistical rating organization, or one that is in compliance with applicable federal minimum risk-based capital requirements.
5. An “irrevocable letter of credit” issued in favor of the College by a federal home loan bank whose commercial paper and other unsecured short-term debt obligations are rated in the highest rating category by at least one nationally recognized statistical rating organization, as security for the payment of 100 percent of the aggregate amount of deposits and the agreed-upon interest, if any.

VIII. Collateralization and Safekeeping Eligible securities used for collateralizing deposits made by the College shall be held by (the depository or a third party) bank or trust company subject to security and custodial agreements.

The security agreement shall provide that eligible securities (or the pro rata portion of a pool of eligible securities) are being pledged to secure such deposits together with agreed-upon interest, if any, and any costs or expenses arising out of the collection of such deposits upon a default. It shall also provide the conditions under which the securities (or pro rata portion of a pool of eligible securities) held may be sold, presented for payment, substituted or released and the events of default which will enable the College to exercise its rights against the pledged securities.

In the event that the pledged securities are not registered or inscribed in the name of the College, such securities shall be delivered in a form suitable for transfer or with an assignment to the College or the custodial bank or trust company. Whenever eligible securities delivered to the custodial bank or trust company are transferred by entries on the books of a federal reserve bank or other book-entry system operated by a federally regulated entity without physical delivery of the evidence of the obligations, then the records of the custodial bank or trust company shall be required to show, at all times, the interest of the College in the securities (or the pro rata portion of a pool of eligible securities) as set forth in the security agreement.

The custodial agreement shall provide that pledged securities (or the pro rata portion of a pool of eligible securities) will be held by the custodial bank or trust company as agent of, and custodian for, the College, will be kept separate and apart from the general assets of the custodial bank or trust company and will not be commingled with or become part of the backing of any other deposit or other bank liability. The agreement shall also describe how the custodian shall confirm the receipt, substitution or release of the collateral and it shall provide for the frequency of revaluation of collateral by the custodial bank or trust company and for the substitution of collateral when a change in the rating of a security causes ineligibility. The security and custodial agreements shall also include all other provisions necessary to provide the College with a perfected security interest in the eligible securities and to otherwise secure the College's interest in the collateral, and may contain other provisions that the College deems necessary.

IX. Purchase of Investments The VPAFA/Treasurer is authorized to contract for the purchase of investments:

1. Directly, from an authorized trading partner
2. By participation in a cooperative investment agreement with other authorized municipal corporations pursuant to Article 5-G of the General Municipal Law and in accordance with Article 3-A of the General Municipal Law.

In the case of investments in certificates of deposit and special time deposits, the procedure shall require the solicitation of quotations from more than one of the approved banks.

All purchased obligations, unless registered or inscribed in the name of the College, shall be purchased through, delivered to and held in the custody of a bank or trust company. Such obligations shall be purchased, sold or presented for redemption or payment by such bank or trust company only in accordance with prior written authorization from the officer authorized to make the investment. All such transactions shall be confirmed in writing to the College by the bank or trust company.

Any obligation held in the custody of a bank or trust company shall be held pursuant to a written custodial agreement as described in General Municipal Law Section 10(3)(a). The agreement shall provide that securities held by the bank or trust company, as agent of, and custodian for, the College, will be kept separate and apart from the general assets of the custodial bank or trust company and will not be commingled with or become part of the backing of any other deposit or other bank liability. The agreement shall also describe how the custodian shall confirm the receipt and release of the securities. Such agreement shall include all provisions necessary to secure the College's perfected interest in the securities, and the agreement may also contain other provisions that the College deems necessary. The security and custodial agreements shall also include all other provisions necessary to provide the College with a perfected interest in the securities.

College employees, where authorized, can direct the bank or trust company to register and hold the evidences of investments in the name of its nominee, or may deposit or authorize the bank or trust company to deposit, or arrange for the deposit of any such evidences of investments with a federal reserve bank or other book-entry transfer system operated by a federally regulated entity. The records of the bank or trust company shall show, at all times, the ownership of such evidences of investments, and they shall be, when held in the possession of the bank or trust company, at all times, kept separate from the assets of the bank or trust company. All evidences of investments delivered to a bank or trust company shall be held by the bank or trust company pursuant to a written custodial agreement as set forth in General Municipal Law Section 10(3)(a), and as described earlier in this section. When any such evidences of investments are so registered in the name of a nominee, the bank or trust company shall be absolutely liable for any loss occasioned by the acts of such nominee with respect to such evidences of investments.

X. Legal Review All security agreements, custodial agreements, letters of credit, surety bonds and repurchase agreements shall be reviewed by counsel retained for this purpose, to determine their compliance with the requirements of Section 10 and 11 of the General Municipal Law and this policy.

Action (Created, Reviewed, Retired)	Date	Initials	Position Title
Updated Classification (1.23)	03/25/2020	KP	Secretary – VP Student Development
Revised	11/24/2020	MS	VPAFA
Approved BoT	12/17/2020	DL	Asst to the President
Revised	12/14/2023	JT	Comptroller