

INVESTMENTS

Policy:

The Board of Trustees of Pearl River Community College desires to invest any and all excess funds of the College to earn the maximum amount of interest possible while preserving the safety and integrity of those funds.

Procedure:

1. The President and Dean of Business Services are authorized to invest any and all excess funds of the College to meet the goal established by the Board subject to the following guidelines.
2. Excess funds are invested in safe, secure instruments to ensure that no unnecessary risks exist.
 - A. All checking accounts are interest bearing. The only exceptions are in those instances where such earnings are prohibited by the regulations of the entity originally providing those funds.
 - B. The Dean of Business Services, with the authority hereby granted by the Board and President, ensures that all excess funds not needed for normal operations during the next three months are removed from interest bearing checking accounts and invested in other securities to produce a higher rate of interest, if possible. These funds are invested in Bank certificates of deposit in multiples not to exceed the amount of insurance provided by the FDIC. Care is taken, however, to ensure that the total deposits (checking and investments) do not exceed the additional collateral provided as required by law. Verbal quotes are secured and a record kept prior to placing the funds. The length of these type investments should not exceed ninety days.
 - C. Excess funds expected to be available for more than ninety days or special funds known to be available for investment for a specific period of time are invested in either bank certificates of deposit or treasury notes insured by the federal treasury system.

Written quotes are secured prior to investment from those financial institutions maintaining offices in the Community College District. Under no circumstances are these funds invested in mutual funds or other such high risk investments. Investments under this category are brought to the Board for information and ratification.

- D. Under no circumstances are excess funds placed in Financial Institutions in which a Board member, the President, or the Dean of Business Services has an ownership interest or management position of the nature that could lead the general public to believe that the investment was made for any reason other than the highest rate of interest available.

These guidelines and restrictions are reviewed annually by the Board. Expected dollars to be earned from investments are budgeted annually as a part of the normal budget process and actual results are compared to determine the financial success of the policy.