

INSTITUTIONAL DIRECTIVE 3-8

February 5, 2007

Title: Investment Guidelines

I. Purpose

To establish guidelines governing the investment and management of cash to insure that all idle funds are invested in an interest-bearing vehicle.

II. Policy

It is the policy of Piedmont Technical College to invest all available non-federal funds into an investment interest-bearing vehicle to maximize the return on investment.

III. General

The need to exercise strong control over cash flow to obtain the highest yield possible will continue for the present time and the foreseeable future in order to maximize investment income from interest bearing vehicles.

- A. Investments will be made in funds which are insured against default and are guaranteed by the FDIC or other Federal or State Regulatory Agencies.
- B. Investments will be made locally when possible by checking local interests rates within the seven county area before making outside of service area investment obligations.
- C. To optimize investment interest to the college and avoid and conflict of interest, investments will be made with banks where interest rates provide the college with the best return on investment. When investment rates are the same, maximum effort will be made to invest equitably in all area banks so that college funds are invested in a large number of service area banks.
- D. A list of all local banks and each bank's respective contact person will be maintained to insure the comprehensive review and equitable distribution among banks.
- E. Investments will be made within State and Federal Guidelines.
- F. Investments will be secured or guaranteed by additional security.

IV. Procedures

- A. The Director of Business Services will insure that bank deposits are made daily except during registration or other periods of heavy cash flow when deposits will be made at least twice a day.
- B. The Senior Vice President will review cash availability against current and projected obligations and determine net cash available for investment.

Office of Responsibility: Senior Vice President

- C. The Senior Vice President assigned the specific responsibility as investment manager, will:
1. Maintain current listing of all local banks
 2. Maintain a close scrutiny on the cash flow to obtain the maximum interest available in the current investment market and refrain from carrying surplus funds in the operating checking account.
 3. Invest college funds promptly.
 4. Ascertain that all funds placed in an investment environment meet a criteria that would prevent loss from default or loss of investments funds.
 5. Review maturity dates of investment vehicles so that they may be renewed or re-invested in the market place to produce the maximum yield and avoid any loss in the interest income.
 6. Maintain all certificates of deposits, investment account records and other related documents in the vault for safe keeping against any loss from fire, theft, or any other conditions that would be detrimental to the well being of all investment vehicles documentation.
 7. Ascertain that all investment transactions meet state regulations pertaining to all investments.
- D. The Senior Vice President will keep the President and the Piedmont Technical College Area Commission informed of interest earned on investments on a quarterly basis and review the year-to-date investment management program at the end of the fiscal year. The briefing will review the performance of the institutional investment management program.

<u>Original on File</u>	<u>2/5/07</u>
Approved for Publication	Date