

Mission, Goals & Board Operations

Board of Trustees Policy

SUBJECT: Investment of Funds	NUMBER: 6.2
	DATE: June 18, 2018 Resolution #18-81
	SUPERSEDES: Resolution #86-55, June 5, 1986

Scope

The investment policy of SUNY Schenectady County Community College shall apply to all moneys and other financial resources available for investment on its own behalf or on behalf of any other entity or individual. This excludes moneys received by the Schenectady County Community College Foundation and Auxiliary Services Corporations.

Objectives

The primary objectives of the College’s investment activities are, in priority order,

1. To conform with all applicable Federal, state, and other legal requirements (legal).
2. To adequately safeguard principal (safety).
3. To provide sufficient liquidity to meet all operating requirements (liquidity); and
4. To obtain a reasonable rate of return.

Delegation of Authority

The Board of Trustees' ("Board") responsibility for administration of the investment program is delegated to the College President ("President") who shall establish written procedures for the operation of the investment program consistent with these investment guidelines. Such procedures shall include an adequate internal control structure to provide a satisfactory level of accountability based on a schedule of records incorporating description and amounts of investments, transaction dates and other relevant information and regulate the activities of subordinate employees.

Prudence

All participants in the investment process shall seek to act responsibly as custodians of the public trust and shall avoid any transaction that might impair public confidence in the College to govern effectively.

Investments shall be made with judgment and care, under circumstances then prevailing, which persons of prudence, discretion and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the safety of the principal as well as the probable income to be derived.

All participants involved in the investment process shall refrain from personal business activity that could conflict with proper execution of the investment program or which could impair their ability to make impartial investment decisions. For purposes of this policy, "personal business activity" shall mean any involvement whatsoever in any business, including but not limited to banking, investment sales or management, brokerages, or referral activities.

Diversification

Subject to the limitations placed on the College by law and the Board's fiduciary obligation to adequately safeguard principal, the diversification of investments and deposits by type and location is encouraged.

Internal Controls

It is the policy of the Board for all moneys collected by any officer or employee of the College to transfer those funds to the Controller within two (2) business days of collection, or within a time period specified by law, whichever is shorter.

The Controller is responsible for establishing and maintaining an internal control structure to provide reasonable assurance that deposits and investments are safeguarded against loss from unauthorized use or disposition, that transactions are executed in accordance with management's authorization and recorded properly and are managed in compliance with applicable laws and regulations.

Designation of Depositories

Funds received by the College (excluding funds received by the College Foundation and Auxiliary Service Corporations), which include moneys appropriated and paid by Schenectady County, moneys received from the State and moneys received from tuition, fees, charges, sales of products and services, and from all other sources shall be deposited in one or more depository banks duly designated by the Board. Said designation shall be made at the Board's organizational meeting but may be changed by subsequent vote of the Board. Said depository or depositories shall be located and authorized to do business in New York. Any such depository so designated shall fully collateralize all deposits as provided by law and this policy.

Collateralizing of Deposits

In accordance with the provisions of Education Law §6304(7), all deposits of the College, including certificates of deposits and special time deposits, in excess of the amount insured under the provisions of the Federal Deposit Insurance Act, shall be secured by one or more of the following:

1. By a surety bond payable to the College and securing to the College the payment of such deposits and the agreed upon interest, if any, executed by a surety company authorized to transact business in New York, whose claims-paying ability is rated in the highest rating category by at least two nationally recognized statistical rating organizations.
2. By outstanding un-matured obligations of the United States, the State of New York, or any municipality or college of the State of New York, as security for moneys deposited. Any such obligation shall be subject to the approval of the Board and shall be deposited in such place and held under such conditions as the Board may determine.

Permitted Investments

As authorized by General Municipal Law §11, the Board authorizes the President to invest moneys not required for immediate expenditure for terms not to exceed its projected cash flow needs in the following types of investments:

1. Certificates of Deposit (investments in certificates of deposits must be secured by a pledge of obligations of the federal government, by and obligation fully guaranteed as to principal and interest by the United States, by obligations of the State of New York, or by obligations of any municipal corporation, school district or district corporation of New York).
2. Obligations of the United States of America.

3. 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;
4. Obligations of the State of New York
5. Obligations of any municipality, school district, or district corporation, other than the College.

All investment obligations shall be payable or redeemable at the option of the College within such times as the proceeds will be needed to meet expenditures for purposes for which the moneys were provided and, in the case of obligations purchased with the proceeds of bonds or notes, shall be payable or redeemable at the option of the College within two years of the date of purchase.

Authorized Financial Institutions and Dealers

The College shall maintain a list of financial institutions and dealers approved for investment purposes. All financial institutions with which the College conducts business must be credit worthy. Banks shall provide their most recent Consolidated Report of Condition (Call Report) at the request of the College. Security dealers not affiliated with a bank shall be required to be classified as reporting dealers affiliated with the New York Federal Reserve Bank, as primary dealers. The President is responsible for evaluating the financial position and maintaining a listing of proposed depositories, trading partners and custodians and the President shall evaluate this list at least annually.

Adopted: June 18, 2018, Resolution #18-81