

POLICY 6700

INVESTMENTS

Policy Category: Finance and Business Services

Area of Administrative Responsibility: Finance

Board of Trustees Approval Date: March 21, 2017

Effective Date: March 22, 2017

Amendment History: Repealed October 10, 2012 version

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PURPOSE

The purpose of this policy is to set general guidelines to provide a clear understanding of the

SCOPE

This policy applies to all monies and other financial resources available for deposit and investment by the Vice President for Finance on behalf of the College.

POLICY

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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 79R14h()26(;)-11y come due; and

amended, are, in discretion of the Vice President for Finance, to be provided by the bank;

- b. prescribe the amount of collateral to be provided by the bank at any time;
- c. prescribe the manner in which the market value of the collateral shall be determined and require any adjustments to market value as required by GML Section 10;
- d. require the bank to provide additional collateral if the market value falls below the required amount of collateral;
- e. provide the collateral is being provided by the bank to secure all the College deposits in the bank, together with agreed upon interest, if any, and any costs or expenses arising out of the collection of such deposits upon default;
- f. grant a security interest to the College in any securities pledge by the bank pursuant to the agreement;
- g. set forth the conditions under which the collateral may be sold, presented for payment, substituted or released;
- h. define the events if default that will enable the College to exercise its rights against said pledge securities;
- i. require that securities pledged to the College to secure deposits and not registered in the name of the College be delivered in a form suitable for transfer or with an assignment in blank to a custodial bank with which the College has entered into a written custodial agreement;
- j. provide for the valuation of collateral;
- k. require that the agreement be properly authorized by the board of directors of the bank and that the bank maintain such agreement as an official record of the bank; and
- l. contain such other provisions deemed necessary to enable the College to enforce its interest in the collateral in the event of a default by the bank.

2. Custody Agreements:

All securities pledged by a bank pursuant to a written security agreement shall be held in accordance with a written custody agreement. The custody agreement shall:

- a. specify the manner in which the custodian shall hold securities;

J. Purchase and Safekeeping of Investments:

1. The Vice President for Finance shall establish operating procedures for making investments with approved banks and trading partners and revise such procedures as he/she deems appropriate from time to time.
2. 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.
3. In the case of the purchase of obligations, the procedures shall:
 - a. Require competitive quotations, except in the purchase of governmental securities at their initial auction;
 - b. Require all purchased obligations, unless registered or inscribed the name of the College, to be purchased through, delivered to, and held in custody of a bank with which the College has entered into a written custodial agreement which complies with the requirements contained in paragraph 2 of this section;

APPENDIX A

SCHEDULE OF ELIGIBLE COLLATERAL

Eligible Securities

- A. Obligations issued, or fully insured or guaranteed as to the payment of principal and interest, by the United States of America, an agency thereof or a United States government sponsored corporation.
- B. Obligations issued or fully guaranteed by the International Bank for Reconstruction and Development, the Inter-American Development Bank, the Asian Development Bank, and the African Development Bank.
- C. Obligations partially insured or guaranteed by an agency of the United States if America, at a proportion of the market value of the obligation that represents the amount of the insurance of guaranty.
- D. Obligations issued or fully insured or guaranteed by the State of New York, obligations issued by a municipal corporation school district or district corporation of the State of New York or obligations of any public benefit corporation which under a specific New York State statute may be accepted as security for deposit of public moneys.