

APPROVAL OF A REVISED COLLEGE INVESTMENT POLICY

RESOLUTION NUMBER 2009-1

WHEREAS, the Trustees of Ivy Tech Community College are authorized and empowered by IC 21-29-2-2 to establish written policies for the investment of funds as provided by IC 30-4-3-3, and

WHEREAS, the Trustees approved the current investment policy in 2002, and


WHEREAS, revisions have been identified that will improve the policy, and

WHEREAS, the Vice President for Finance and Treasurer of the College has presented a revised Investment Policy to the Budget and Finance Committee of the Board, and


WHEREAS, the Budget and Finance Committee has reviewed the plan and recommends approval;

NOW THEREFORE BE IT RESOLVED, that the Investment Policy, attached hereto, is adopted.

**State Trustees
Ivy Tech Community College of Indiana**



Lee J. Marchant, Vice Chairman



Anne K. Shane, Secretary

Dated February 12, 2009

INVESTMENT POLICY FOR IVY TECH COMMUNITY COLLEGE

I. Statement of Purpose:

The investment policies are adopted by the State Board of Trustees to direct the prudent investment of College funds in a manner consistent with the objectives as hereby stated.

II. Investment Philosophy and Objective:

It shall be the policy of Ivy Tech Community College to manage the investment portfolio of the College in a manner described in Section 30-4-3-3 of the Indiana Statutes.

The investment portfolio is a source of funds for current and future operations of the College. Objectives include:

- A. Compliance with all statutory requirements of the State of Indiana
- B. Safety and preservation of principal
- C. Sufficient liquidity to meet institution needs
- D. Maximum return on investment while maintaining safety of principal and adequate liquidity for institutional needs

III. Scope of the Investment Policy

This investment policy applies to those assets for which the State Board of Trustees and the Vice President for Finance and Treasurer have discretionary authority. Assets subject to this investment policy include:

- A. Designated funds held by the College to be invested separately as required by law, contract, or College policy
- B. Pooled investments held by the College that are not specifically designated.

Assets excluded from this policy include:

- A. Funds held by a bond trustee
- B. Endowment funds
- C. Voluntary Employee Beneficiary Association (VEBA) trusts

IV. Investment Officer - Authority:

The Vice President for Finance and Treasurer of the College or designee has the exclusive authority to implement and comply with the investment policies set forth in this document. The Vice President for Finance and Treasurer also has the authority to make exceptions to the Investment Policy. Exceptions will be reported back to the State Board of Trustees at the next State Board meeting. If current investment holdings do not meet the parameters of this Investment policy on the date it becomes effective, those holdings not in compliance may be sold

or maintained at the discretion of the Treasurer taking into consideration the best interests of the College as a whole.

V. Asset Allocation:

The portfolio shall maintain a prudently diversified investment portfolio. The maturities of investments must be arranged to meet the liquidity needs of the institution. Longer maturities may be added to enhance investment returns.

VI. Authorized Investments:

The following investments shall be authorized subject to the limits indicated:

A. Certificates of Deposit and/or Interest-bearing Deposit Accounts

1. Must be insured by the Federal Deposit Insurance Corporation (FDIC) and the Public Deposit Insurance Fund (PDIF)
2. Maximum maturity: five (5) years.
3. One bank's deposits must not exceed twenty (20%) of the College's total investment portfolio at time of purchase.

B. U.S. Government Treasury Securities

1. Maximum maturity: five (5) years.

C. U.S. Government Agency Securities

1. Maximum maturity: five (5) years.

D. Repurchase Agreements

1. Maximum maturity: fourteen (14) days.
2. Collateral: U.S. Treasury and Agency Securities with the College having a perfected interest in the securities. The value of the securities must equal or exceed the principal plus anticipated interest earnings.

E. Commercial Paper

1. Maximum maturity: two hundred seventy (270) days.
2. Must be rated at least A-1 or P-1 by Standard and Poor's or Moody's.
3. The College's total investment in Commercial Paper may not exceed fifty (50%) of total investments.

No more than one million (\$1,000,000) or ten percent (10%) of the College's total investment, whichever is less, may be invested in any one company at one time.

No more than twenty-five percent (25%) of the total Commercial Paper portfolio may be invested in a single industry.

F. Money Market Accounts/Funds

1. Investment participation is limited to funds that are subject to SEC Rule 2a-7 with assets totaling at least \$1,000,000,000 or funds managed by Indiana banks insured by the Public Deposit Insurance Fund (PDIF).

G. Equities

It is the intent of this policy to not have College funds invested in corporate equities or other instruments which could prudently be expected to have significant price variances. Gifts of stock, to the College, may be accepted and held until the Treasurer determines a prudent time to dispose of the equities.

VII. Quality Ratings:

- A. The quality rating guidelines that are to be used shall be the ratings as of the date of the purchase of the security. If a rating change occurs which disqualifies a security that is already present in the College's portfolio, the following procedures are to be implemented:

1. If the investment is to mature within six months from the date of the rating change, no action is required. Action may be taken, however, if it is deemed to be in the College's best interest.
2. If the maturity of the investment exceeds six months from the date of the rating change, it must be sold within 30 days from the discovery of the rating change.

- B. Cash and securities held by brokerage firms must be insured in full to protect the College against loss from other than market fluctuations.

VIII. Placement of Investments:

It is the College's policy to solicit bids. Investments are to be placed with the eligible financial institution submitting the highest and best net bid for the type and amount of investment requested. Diversification of College assets may be considered in selecting the best bid. Overnight investments need not be bid. Exceptions to the bid process are authorized when time constraints are such that a loss of income would result if bids were solicited.

In determining the number of bids to be solicited and which institutions are to be contacted, time available to place investments in order to obtain same-day investments of funds, total net yield over the life of the investment and level of service are to be considered.

In the event two or more eligible institutions submit the same high net bid for the type of investment requested, the investment may be placed with the institution selected at the discretion of the investment officer after considering such factors as accumulated investments already placed and service provided by the institution.

IX. External Investment Managers:

The management of the College portfolio may be delegated in whole or in part to an outside professional portfolio manager(s)/advisor(s) upon recommendation of the Vice President for Finance and Treasurer and subject to State Board approval.

X. Premiums or Discounts:

Securities may be purchased at either a premium or a discount. If securities are purchased at other than par value, the discount or the premium will be amortized over the life of the investment in compliance with Generally Accepted Accounting Principles (GAAP).

XI. Gains/Losses:

Securities may be sold for more or less than book value if such action would be consistent with the College's investment goals. Any sale of a security that results in a gain or loss must be reflected in current investment income.

XII. Safekeeping:

Investments purchased from financial institutions are to be safe kept at the institution from which they are purchased. Investments purchased from securities firms may be safe kept at the securities firm on behalf of the College or delivered to the financial institution designated for custodianship.

XIII. Reporting:

The Cash and Auxiliary Accounting Department will prepare, on a monthly basis, reports, which list the investment purchases, income, maturities, and the ending investment balance by College fund. A summary report will be presented to the State Board and the detail reports are filed in the Vice President for Finance and Treasurer's office.