Ivy Tech Community College *Cash and Cash Equivalents Policy*		
Acct-001	Cash and Cash Equivalents Policy	Effective Date: Upon implementation of GASB 9
Business Affairs		Revision Date:
Controller & Assistant Vice President for Finance		Revision Schedule:
Standards: GASB 9		

I. *PURPOSE*

The purpose of this policy to define cash and cash equivalents for external reporting in a manner that complies with Generally Accepted Accounting Principles (GAAP).

II. *POLICY*

Ivy Tech Community College is committed to effective management of the organization's finances and the prevention of fraud or mismanagement of its funds. It is the responsibility of the accounting department to properly classify cash and cash equivalents as defined below to ensure compliance with GAAP for external reporting.

III. *DEFINITIONS*

a. *Cash* – Funds available to meet the operating expenditures of the College.

b. *Cash Equivalents* – Short-term, highly liquid investments that are (a) both readily convertible to known amounts of cash and (b) so near their maturity that they present insignificant of changes in value because of changes in interest rates. These investments have an original maturity of three months (90 days) or less.

c. *Cash with Fiscal Agent* – Funds held by fiscal agent are unable to be withdrawn once transferred from the College. (See section V for additional detail)

d. *Deposit with Trustee* – Cash that is invested on behalf of the College and withdrawn without penalty is dependent upon maturity date of the investments which are invested with expected maturity dates of more than 90 days. Given the duration of these investments the College classifies Deposit with Trustee as investments. (See section V for additional detail.)

e. *Short-term investments*—Investments with a maturity date between 91-365 days from date of purchase.

f. *Long-term investments*—Investments with a maturity date greater than 365 days from date of purchase.

IV. *PROCEDURES*

a. **Cash with Fiscal Agent**

i. Funds are deposited twice per year in December and June for the purpose of satisfying the College's bond payment obligations. These funds are maintained at a banking institution as stated in the Sinking Fund Requirement in Article IV §4.01 of the Nineteenth Supplemental Indenture dated July 1, 2018, which also indicates these funds are irrevocably pledged at the time of deposit per §6.02 of the Original Indenture agreement dated November 1, 1983. In accordance with GASB implementation guidance the College has elected to classify these funds as short-term investments, therefore Cash with Fiscal Agent is not included in the College's statement of cash flows as a cash equivalent.

ii. Funds in this category are accessed twice per year.

iii. Funds are transferred into the sinking fund account during the months of December and June, at least 5 business days prior to the due date of January 1 and July 1.

iv. The transfer is recorded as a debit to Cash with Fiscal Agent and a credit to operating cash.

v. The payment on January 1 and July 1 is recorded as debits to the appropriate bond and accrued interest liability accounts and a credit to Cash with Fiscal Agent.

b. **Deposit with Trustee**

i. Proceeds from bond issuance are deposited with a financial institution and invested for durations of time consistent with the underlying capital projects these are used to fund. These projects typically are longer term in nature and often span periods of up to 2-3 years. Since the proceeds are invested in maturities greater than 90 days, Deposit with Trustee is classified as an investment and not included in the College's statement of cash flows as a cash equivalent.

ii. Funds in this category are obtained through a Disbursement Schedule request form.

ii. The disbursement request form (see example below) is obtained.

iii. The disbursement request form, outlining all expenses to be included in each reimbursement, is completed.

iv. The request packet and obtain approval from Chief Financial Officer (CFO) is submitted.

v. The completed, signed packet is submitted to financial institution for funding.

V. ***REFERENCES***

a. [Hyperlink to X]

8. Trust Indenture as amended.pdf

9. Executed counterpart of Ninete

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VII. ***APPENDICES***