

SOUTHWESTERN COMMUNITY COLLEGE	BUSINESS SERVICES <b>DEPOSITS AND INVESTMENTS OF CASH BALANCES</b>	Policy <b>7.02.06</b>
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## I. Definitions

1. *Cash Balance* – amount equal to all moneys received into institutional funds minus all expenses and withdrawals from those accounts in an official depository of the College as approved by the Board.
2. *Official Depository* – one or more banks, saving and loan associations or trust companies in North Carolina as approved by the Board.

## II. Deposits and Investments

### A. Deposits

The College may deposit at interest all or part of the cash balance of any fund in an official depository. Moneys may be deposited at interest in any official depository in the form of certificates of deposit or such other forms of time deposits as may be approved for county governments.

### B. Investments

The College's investment objective is to realize the highest earnings possible on invested cash. Pursuant to N.C.G.S. § 115D-58.6, the College may deposit all or a part of the cash balance of any fund in an official depository and shall manage the investments subject to the Board's restrictions. The investment program shall be so managed that investments and deposits can be converted to cash when needed. All investments shall be secured as provided in N.C.G.S. § 159-31(b). The Board shall appoint an Investment Committee which shall consist of a minimum of three people who have sufficient financial background to review and evaluate the College's investment options. These individuals should have experience in institutional or retail investment management with knowledge of fixed income and public equities. This committee shall make recommendations to the Board on those investment options as well as monitor the performance of investments once made. With respect to investments, the Board shall discharge their duties with respect to management and investment of College funds as follows:

1. Investment decisions shall be solely in the interest of the College and the students, faculty and staff.
2. Investments shall be for the exclusive purpose of providing an adequate return to the College.
3. Investments shall be made with the care, skill and caution under the circumstances then prevailing which a prudent person action in a like capacity and familiar with those matters would use in the conduct of an activity of like character and purpose.

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4. Investment decisions shall be made impartially, taking into account the College's best interest, with special attention to conflict of interest or potential conflicts of interest.
5. Investments shall incur only costs that are appropriate and reasonable.

Legal Citation: N.C.G.S. § 115D-58.6

Adopted: October 1992

Revised: April 22, 2014