

Coast Community College District
BOARD POLICY
Chapter 4
Business Operations

BP 6320 Investment Policy

Investment Philosophy

When investing, reinvesting, purchasing, acquiring, exchanging, selling, and managing public funds, the primary objective of the Coast Community College District shall be to safeguard the principal. The secondary objective shall be to meet the liquidity needs of the depositor. The third objective shall be to return an acceptable yield.

Investment Policy

CCCD funds other than those controlled by auxiliary Foundations shall be invested in any of the following:

1. Any eligible security listed under the Government Code of the State of California, Title 5, Division 2, Part 1, Chapter 4, Article 2 #53651, but limited to the following paragraphs (a), (b), (c), (e), (g), (h) and (n). (* see next page)
2. Local agency investment funds with the Treasurer's Office of the State of California.
3. A financial institution that is insured by Federal Deposits Insurance Corporation (FDIC).
4. Orange County Treasurer's Office as required by law.

A signed contract for deposit must be in place before depositing funds that are in excess of insured limits of the Institution. The financial institution will maintain at all times with the Agent of the Financial Institution as security for Depositor's deposits (a) eligible securities of the classes described in Government Code Section 53651, except subdivisions (m) and (p), having a market value at least 10% in excess of the total amount of deposits secured by those securities, (b) eligible securities of the class described in subdivision (m) of Government Code Section 53651 having a market value at least 50% in excess of the total amount of deposits secured by those securities and (c) eligible securities of the class described in subdivision (p) of Government Code Section 53651 having a market value of at least 5% in excess of the total amount of deposits secured by those securities. If the Administrator of Local Agency Security of the State of California determines that a security is not qualified to secure public deposits, the Financial Institution will substitute other securities to comply with the requirements of this paragraph.

Each auxiliary Foundation shall develop a separate investment policy for those funds raised and

controlled by the respective foundation. These policies will be submitted to CCCD Board of Trustees for initial review and approval, and future changes.

Reporting Requirements

The following financial records will be made available as stated and kept on file and submitted to the Chancellor and Board of Trustees as noted.

1. A daily/weekly summary of all cash balances and investments will be available upon request from the District Office of Administrative Services.
2. A monthly summary of cash balances and investments will be prepared and provided to the Board of Trustees and kept on file in the Office of Administrative Services.
3. A quarterly summary of cash balances and investments will be provided in conjunction with the CCFS 311Q Report that is part of a Board of Trustees' Agenda.

Investment Advisory Committee

The Chancellor will appoint and convene an Investment Advisory Committee. The charge of the committee will be to meet at least quarterly in conjunction with the issuance of the District's quarterly financial report. The committee will make recommendations to the Chancellor and the Board of Trustees regarding the appropriateness of the District's current investments and make recommendations for possible changes in the investment policy. Any person who volunteers to serve on the Investment Advisory Committee will sign a document saying that any advice they give to the District will not be a conflict of interest.

***Reference:** Government Code of the State of California, Title 5, Division 2, Part 1, Chapter 4, Article 2 #53651. Eligible securities.

- (a) United States Treasury notes, bonds, bills or certificates of indebtedness, or obligations for which the faith and credit of the United States are pledged for the payment of principal and interest, including the guaranteed portions of small business administration loans, so long as the loans are obligations for which the faith and credit of the United States are pledged for the payment of principal and interest.
- (b) Notes or bonds or any obligations of a local public agency (as defined in the United States Housing Act of 1949) or any obligations of a public housing agency (as defined in the United States Housing Act of 1937) for which the faith and credit of the United States are pledged for the payment of principal and interest.
- (c) Bonds of this state or of any local agency or district of the State of California having the power, without limit as to rate or amount, to levy taxes to pay the principal and interest of the bonds upon all property within its boundaries subject to taxation by the local agency or district, and in addition, sales tax revenue bonds, and revenue bonds and other obligations payable solely out of the revenues from a revenue-producing property owned, controlled or operated by the state, local agency or district or by a department, board, agency or authority thereof.

- (e) Registered warrants of this state.
- (g) Notes, tax anticipation warrants or other evidence of indebtedness issued pursuant to Article 7 (commencing with Section 53820), Article 7.5 (commencing with Section 53840) or Article 7.6 (commencing with Section 53850) of this Chapter 4.
- (h) State of California notes.
- (n) Any bonds, notes, warrants, or other evidences of indebtedness of a nonprofit corporation issued to finance the construction of a school building or school buildings pursuant to a lease or agreement with a school district entered into in compliance with the provisions of Section 81345 of the Education Code, and also any bonds, notes, warrants or other evidences of indebtedness issued to refinance those bonds, notes, warrants, or other evidences of indebtedness as specified in Section 81347 of the Education Code.

Adopted April 5, 1995

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