

CHAPTER:	Investment	DATE ADOPTED	NUMBER
ADMINISTRATION		August 10, 1999	220

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1 Scope of Investment Policy: The Investment Policy of the College shall apply to all operating funds, bond proceeds and other funds and all investment transactions involving operating funds, bond proceeds and other funds accounted for in the financial statements of the College. Each investment made pursuant to this Investment Policy must be authorized by applicable law and this written Investment Policy.

The investment of bond funds or sinking funds shall comply not only with this investment policy, but also be consistent with any applicable bond resolution.

This Investment Policy is intended to comply with Iowa Code Chapter 12B.

Upon passage and upon future amendment, if any, copies of this Investment Policy shall be delivered to all of the following:

- a. All depository institutions or fiduciaries for public funds of the College.
- b. The auditor engaged to audit any fund of the College.

In addition, a copy of this Investment Policy shall be delivered to every fiduciary or third party assisting with or facilitating investment of the funds of the College.

2 Delegation of Authority: In accordance with Section 12B.10, the responsibility for conducting investment transactions resides with the President or designee. Only the President or designee and those authorized by resolution may invest public funds and a copy of any empowering resolution shall be attached to this Investment Policy.

All contracts or agreements with outside persons investing public funds, advising on the investment of public funds, directing the deposit or investment of public funds or acting in a fiduciary capacity for the College shall require the outside person to notify in writing the College within thirty days of receipt of all communication from the Auditor of the outside person or any regulatory authority of the existence of a material weakness in internal control structure of the outside person or regulatory orders or sanctions regarding the type of services being provided to the College by the outside person.

The records of investment transactions made by or on behalf of the College are public records and are the property of the College whether in the custody of the President or designee or in the custody of a fiduciary or other third party.

The President or designee shall establish a system of internal controls and investment practices. The controls shall be designed to prevent losses of public funds, to document those officers and employees of the College responsible for elements of the investment process and to address the capability of investment management. The controls shall provide for receipt and review of the audited financial

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	<p>statement and related report on internal control structure of all outside persons performing any of the following for this public body:</p> <ul style="list-style-type: none"> a. Investing public funds. b. Advising on the investment of public funds. c. Directing the deposit or investment of public funds. d. Acting in a fiduciary capacity for this public body. <p>A Bank, Savings and Loan Association or Credit Union providing only depository services shall not be required to provide an audited financial statement and related report on internal control structure.</p> <p>The President or designee of the College and the Vice President of Business Affairs shall be bonded in the amount of \$500,000.</p>		
3	<p>Objectives of Investment Policy: The primary objectives, in order of priority, of all investment activities involving the financial assets of the College shall be the following:</p> <ul style="list-style-type: none"> a. Safety: Safety and preservation of principal in the overall portfolio is the foremost investment objective. b. Liquidity: Maintaining the necessary liquidity to match expected liabilities is the second investment objective. c. Return: Obtaining a reasonable return is the third investment objective. 		
4	<p>Prudence: The President or designee, when investing or depositing public funds, shall exercise the care, skill, prudence and diligence under the circumstances then prevailing that a person acting in a like capacity and familiar with such matters would use to attain the Section 3 investment objectives.</p>		
5	<p>Instruments Eligible for Investment: Assets of the College may be invested only in those investments authorized in Section 12B.10.5, Code of Iowa.</p> <p>All instruments eligible for investment are further qualified by all other provisions of this Investment Policy, including Section 6 investment maturity limitations and Section 7 diversification requirements.</p>		
6	<p>Investing Maturity Limitations: Operating Funds must be identified and distinguished from all other funds available for investment. Operating Funds are defined as those funds which are reasonably expected to be expended during a current budget year or within fifteen months of receipt.</p>		
7	<p>Diversification: It is the policy of the College to diversify its investment portfolio. Assets shall be diversified to eliminate the risk of loss resulting from over concentration of assets in a specific maturity, a specific issuer, or a specific class of securities. In establishing specific diversification strategies, the following general policies and constraints shall apply:</p> <ul style="list-style-type: none"> a. Portfolio maturities shall be staggered in a way that avoids undue concentration of assets in a specific maturity sector. Maturities shall be selected which provide stability of income and reasonable liquidity. b. Liquidity practices to ensure that the next disbursement date and payroll date are covered through maturing investments, marketable U. S. Treasury bills or cash on hand shall be used at all times. c. Risks of market price volatility shall be controlled through maturity diversification so that aggregate price losses on Instruments with maturities approaching one year shall not be greater than coupon 		

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	interest and Investment Income received from the balance of the portfolio.		
8	<p>Safekeeping and Custody: All invested assets of the College involving the use of a public fund custodial agreement, as defined in Chapter 12B, shall comply with all rules adopted pursuant to Chapter 12B.10C. All custodial agreements shall be in writing and shall contain a provision that all custodial services be provided in accordance with the laws of the state of Iowa.</p> <p>All invested assets of the College eligible for physical delivery shall be secured by having them held at a third party custodian. All purchased investments shall be held pursuant to a written third party custodial agreement requiring delivery versus payment and compliance with all rules set out elsewhere in this Investment Policy.</p>		
9	<p>Ethics and Conflict of Interest: The President or designee and all officers and employees of the College involved in the investment process shall refrain from personal business activity that could conflict with proper execution of the investment program or which could impair their ability to make impartial investment decisions.</p>		