

# Davis Applied Technology College: A Utah College of Applied Technology Campus Management of Institutional Investments Policy

**Effective Date: 28 April, 2005**

Campus President's Council Approval: 12 April 2005

Board Approval: 28 April 2005

## 1. Purpose

To provide for the implementation of the Utah State Money Management Act and the rules of the State Money Management Council and policy regarding investments of the Davis Applied Technology College: A Utah College of Applied Technology Campus (College Campus).

## 2. References

2.1. Board of Regents Policy R541, Management and Reporting of Institutional Investments

2.2. Utah Code [Title 51, Chapter 7](#) (State Money Management Act)

2.3. Utah Administrative Code [Title R628](#) (Rules of the State Money Management Council)

## 3. Definitions

**3.1. Campus Board.** Campus Board means the Campus Board of Directors of the Davis Applied Technology College.

**3.2. Component Unit.** Component unit means a legally separate, but closely related organization as further defined by the standards promulgated by the Governmental Accounting Standards Board. (GASB).

**3.3. Foundation Board.** Foundation Board means the Board of Trustees of the Davis Applied Technology College Foundation, Inc., a public foundation established under section 501(c)(3) of the Internal Revenue Code to facilitate and encourage the donation of private funds, materials, and services in support of the College Campus.

**3.4. Investments.** Investments refers to all funds held by the College Campus addressed under provisions of the State Money Management Act, i.e., Utah Code [Title 51, Chapter 7](#).

**3.5. Public Funds.** Public Funds means monies, funds, and accounts, regardless of the source from which they are derived, that are owned, held, or administered by the College Campus or any of its component units.

**3.6. Public Monies.** Public monies means public funds.

**3.7. Public Treasurer.** Public Treasurer means the Vice President of Finance of the College Campus, or another employee designated by the Campus Board who has been delegated the responsibility for the safekeeping and investment of any of the College Campus' public funds.

**3.8. State Funds.** State Funds means public monies raised by operation of law for the support and operation of the College Campus, and all other monies, funds, and accounts, regardless of the source from which they are derived, that are owned, held, or administered by the College Campus or any of its component units.

## 4. Policy

4.1. The investment of public funds by the College Campus shall comply with applicable statutory provisions, including the [State Money Management Act](#), the [rules of the State Money Management Council](#), and the policies of the State Board of Regents.

**4.2. Authority to Manage Public Funds.** The authority to manage the College Campus' public funds is the responsibility of the Campus Board. The College Campus' public treasurer is delegated the authority to implement strategies provided by the Campus Board.

**4.3. Approval of Investment Decisions**

**4.3.1.** The public treasurer is authorized to purchase and sell repurchase agreements, money market mutual funds, certificates of deposit, and investments with the Public Treasurers' Investment Fund.

**4.3.2.** The public treasurer must receive the approval of the Campus Board or the Campus Board Executive Committee for investment transactions and investment strategies other than routine banking transactions, repurchase agreements, money market mutual funds, certificates of deposit, and investments with the Public Treasurers' Investment Fund.

**4.4. Investment Objectives for Public Funds**

**4.4.1.** The College Campus shall consider and meet the following objectives when depositing and investing public funds:

**4.4.1.1.** Safety of principal;

**4.4.1.2.** Need for liquidity;

**4.4.1.3.** Yield on investments;

**4.4.1.4.** Maturity of investments.

**4.4.2.** Investments of public funds will be made in accordance with Section 51-7-11 of the State Money Management Act as well as in conformity with any other applicable laws, rules, policies, regulations, or other pertinent legal restrictions.

**4.4.3.** Selection of investments shall be made with the exercise of that degree of judgment and care, under circumstances then prevailing, that persons of prudence, discretion, and intelligence would ordinarily exercise in the management of their own affairs, not for speculation but for investment, considering the safety of their capital, as well as the expected benefits to be derived and the duration for which such investment is to be made.

**4.5. Funds Acquired by Gift, Devise, or Bequest, or by Private Contract or Grant**

**4.5.1.** Investments of funds acquired by gift, devise, or bequest, or by private contract or grant shall be made in accordance with donor directive and Rule 2 of the Money Management Council as well as in conformity with any other applicable laws, rules, policies, regulations, donor instructions, or other pertinent legal restrictions. If any gift, devise, bequest or grant is made with a written instrument which contains directions as to the investment thereof, those funds shall be invested in accordance with those directions. Common stock received by donation which is lettered stock, or which is restricted from sale because it is not registered with the Securities and Exchange Commission may be retained by the College Campus and shall be considered to be invested according to the terms of the donation.

**4.5.2. Donated Equity Securities and Real Estate.** Ordinarily, equity securities and real estate which are received by gift or bequest shall promptly be sold. Exceptions are granted only by the Campus Board, or the Campus Board Executive Committee with ratification by the Campus Board at the next regularly scheduled Campus Board meeting, or by the governing board of any component unit pursuant to paragraph 4.6.2, as applicable. Exceptions may only be approved for investments which are authorized under Rule 2 of the Money Management Council. Approved exceptions should be accompanied by an investment strategy to be followed

in monitoring the equity security or real estate. Notwithstanding this, if the terms of a gift or grant require particular investments, the funds shall be invested according to those terms.

**4.6. College Foundation and Other Component Units of the College Campus**

**4.6.1.** Funds of the College Campus Foundation and other component units of the College Campus are invested according to the same guidelines established for the College Campus' investments.

**4.6.2.** The authority to manage the funds of the College Campus Foundation, or other component units of the College Campus, is the responsibility of the Foundation Board, or the board of the respective component unit. Such boards are authorized to implement investment strategies for funds within their scope of responsibility so long as those investment strategies are in accordance with the same guidelines established for the College Campus' investments.

**4.7. Reports**

**4.7.1. Public Treasurer's Assertion.** All reports shall include the public treasurer's assertion that, to the best of the treasurer's knowledge, the College Campus is in compliance with the [State Money Management Act](#) and the [rules of the State Money Management Council](#).

**4.7.2.** The public treasurer shall submit monthly investment reports to the Campus Board. Such reports will include the monthly portfolio activity.

**4.7.3.** The public treasurer shall submit quarterly investment reports to the Campus Board. Such reports will include the monthly portfolio activity as well as the detail of the College Campus' entire portfolio, showing costs and market amounts for each investment and maturity dates where applicable.