

Investment Procedure	Procedure Number	4.6P
	Effective Date	May 11, 2022

1.0 PURPOSE

Pursuant to Board of Trustees Policy 4.6 Investment, the purpose of this procedure is to establish an effective investment procedure intended to maximize the return on the investment of College funds while protecting the capital within the College’s portfolio.

2.0 REVISION HISTORY

Adopted on: 11/22/13
 Revised on: 5/11/22

3.0 PERSONS AFFECTED

This procedure is applicable to the Board of Trustees, all full-time and part-time administrators, and professionals.

4.0 DEFINITIONS

5.0 PROCEDURES

The President, through the Vice President of Administration and Finance, delegates to the Director of Accounting the day-to-day responsibility of maintaining the College’s portfolio of investments that meet the objectives and adhere to the parameters outlined within this procedure.

A. Investment Objectives

- 1) Safety of Principal – Investment shall be undertaken in a manner that seeks to ensure the preservation of principal in the overall portfolio. To attain this objective, insurance or collateral is required for any investments in excess of FDIC insurance that are not backed by the full faith and credit of the United States Government.
- 2) Liquidity – The College’s investment portfolio shall be structured in such manner as to provide sufficient liquidity to pay obligations as they come due. The Director will maintain available cash adequate to meet the current requirement of the College. All available College funds will be invested.
- 3) Return on Investments – The investment portfolio shall be designed to attain a market-average rate of return throughout budgetary and economic cycles, taking into account the risk constraints, the cash flow characteristics of the portfolio and legal restrictions for return on investments.
- 4) Local Investments – Where practical and fiscally responsible, the College will invest its funds with financial institutions doing business within the College’s district and the State of Wyoming.

B. The College will utilize the following investment instruments as per Wyoming Statute 9-4-831 and the State of Wyoming State Loan and Investment Board Master Investment Policy and Sub-Policies (specifically section 22. Local Government Investing):

- 1) U.S. Treasury bills, notes, bonds
- 2) U.S. Government agency securities
- 3) Banker’s Acceptances
- 4) Local Government Investment Pool
- 5) Time Certificates of Deposit – Commercial Banks (Collateralized as required by the State of Wyoming Banking Division)
- 6) Time Certificates of Deposit – Savings and loans (Collateralized as required by the State of Wyoming Banking Division)
- 7) Commercial Paper – Investments in commercial paper of Wyoming issuers are limited to those rated A-2 or better by Standard and Poor’s Corporation, P-2 or better by Moody’s Investors Service; holdings in any one issuer may not exceed 10% of the investment portfolio.
- 8) Investment Grade Corporate Bonds

C. Investments shall be made so that at the time of purchase the total investment in any type of instrument does not exceed the following maximum percentages:

1) U.S. Treasury bills, notes, bonds	100% maximum
2) Federal agency bonds and discount notes	no more than 25% in securities of single issuer
3) Local Government Investment Pool	100% maximum
4) Repurchase Agreements	must be collateralized 102% of market value with specific assignment of U.S. Treasury and Federal agency securities; collateral must be held in safekeeping at depository institution
5) Bankers’ Acceptances	40% maximum
6) Time Certificates of Deposit	50% maximum
7) Commercial Paper	30% maximum
8) Corporate Bonds	50% maximum (See criteria below.)


D. Corporate Bonds – For investment in non-leveraged grade corporate bonds through a separate account arrangement.

- 1) Investment must be through an investment management agreement with a U.S. SEC (Securities Exchange Commission) registered investment advisor, U.S. SEC registered investment company or a bank exempt from registration (the “investment manager” for purposes of this section).
- 2) The investment manager must agree in writing to act in a fiduciary capacity with regards to the assets of the account.
- 3) The account must be diversified by issuer with no more than 5% of the account assets invested with a single issuer with an exception made for obligations issued or guaranteed by the U.S. government, U.S. agencies or U.S. government-sponsored corporations.
- 4) The effective duration of the account can be no greater than the duration of the Barclays U.S. Aggregate Bond Index by more than 0.5 years.
- 5) Only U.S. SEC registered investment grade securities rated equal to or higher than A- by Standard and Poor’s or A3 by Moody’s are allowed for purchase.

When approving, acquiring, investing, reinvesting, exchanging, retaining, selling and managing investments in corporate bonds as described above, the treasurers of Local Government Entities,

their designees or any other fiduciaries appointed by the treasurers shall exercise the judgement and care of prudent investor, as prescribed by the Uniform Prudent Investor Act, W.S. 4-10-901 through W.S. 4-10-913.

- E. The investments in this portfolio will have a weighted average maturity not to exceed seven (7) years unless specific direction from the Vice President for Administration and Finance Services and the President are given otherwise.

REQUIRED APPROVALS	NAME/SIGNATURE	DATE
Originator(s) Name(s)	Rick Johnson, Vice President of Administration and Finance	4/20/22
Approval by President's Cabinet		5/10/22
Ratified by College Council	Melissa Gallant, College Council Co-Chair	5/11/22
Approval by President (Signature)		5/11/22