



Policy Title Investment Policy	Effective Date 3/28/2019	Policy Number FS-123
Responsible College Division/Department Financial Services	Responsible College Manager Title Vice President of Administration	
<p style="text-align: center;">Policy Statement</p> <p><u>Responsibilities</u></p> <p>Pursuant to §38.12(2) Wis. Stats., the Board Treasurer is the official custodian of all monies received by the District and is accountable for such funds. Although the Treasurer must maintain responsibility for these funds, he or she delegates their custody to the President of the College, who delegates these responsibilities to the Chief Financial Officer.</p> <p>The Chief Financial Officer is responsible for the cash management and investment activities and shall maintain appropriate records and establish necessary internal controls to ensure that transactions are consistent with this policy. The Controller has delegated authority to act in accordance with this policy and engage in investment transactions of behalf of the College.</p> <p>The Chief Financial Officer, or his/her designee, is authorized to make investments in the designated public depositories or other permissible investments as allowed in Section 66.0603 (1m) of the Wis. Stats.</p> <p>In addition, as defined in §66.0603(2), Wis Stats., the College may delegate the investment authority over any of its funds not immediately needed to a state or national bank, or trust company, which is authorized to transact business in this state. As a requirement of this statute, the following conditions are required:</p> <ol style="list-style-type: none"> 1. The institution is authorized to exercise trust powers under §221.0316 or Chapter 223. 2. The governing board renews annually the investment agreement under which it delegates its investment authority and reviews annually the performance of the funds. <p>The Board shall designate official depositories, as it deems necessary for funds of the College.</p> <p><u>Objectives</u></p> <p>To manage or invest excess funds according to the following objectives listed in order of priority:</p> <ol style="list-style-type: none"> 1. Safety of principal. 2. Maintenance of sufficient liquidity to meet immediate payment requirements including payroll, accounts payable, and debt service. 3. Obtain the highest possible rate of return consistent with safety of principal and liquidity. 		



Investment Instruments

According to Section 66.0603 of the Wisconsin Statutes, funds of the College may be invested in:

1. Time deposits in any credit union, bank, savings bank, trust company, or savings and loan association which is authorized to transact business in the state of Wisconsin if the time deposits mature in not more than three years.
2. Bonds or securities issues or guaranteed as to principal and interest by the federal government or by a commission, board, or other instrumentality of the federal government.
3. Bonds or securities of any county, city drainage district, technical college district, village, town or school district of the state of Wisconsin.
4. Any security which matures or which may be tendered for purchase at the option of the holder within not more than seven years of the date on which it is acquired, if that security has a rating which is the highest or second highest rating category assigned by Standard and Poor's Corporation, Moody's Investors Service, or other similar nationally recognized rating agency or if that security is senior to, or on a parity with, a security of the same issuer which has such a rating.
5. Securities of an open-end management investment company or investment trust, if the investment company or investment trust does not charge a sales load, if the investment company or investment trust is registered under the investment company act of 1940, and if the portfolio of the investment company or investment trust is limited to the following:
 - a. Bonds and securities issued by the federal government or a commission, board or other instrumentality of the federal government.
 - b. Bonds that are guaranteed as to principal and interest by the federal government or a commission, board or other instrumentality of the federal government.
 - c. Repurchase agreements that are fully collateralized by bonds or securities.
6. Repurchase Agreements in which a public depository agrees to repay funds advanced to it by the local government plus interest, if the agreement is secured by bonds or securities issued or guaranteed as to principal and interest by the federal government.
7. Local government pooled-investment fund.

Risk Control

All district funds deposited in financial institutions, with the exception of commercial paper, must be fully insured or collateralized. United States Treasury bills and repurchase agreements are secured by definition by faith in the United States government securities which back them. All collateral on fixed-term investments shall be maintained by an independent third party.

For certificates of deposit or other bank time deposits:

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1. The first \$250,000 of funds on deposit with the financial institution is insured by the Federal Deposit Insurance Corporation (FDIC) or the Federal Savings and Loan Insurance Corporation (FSLIC).
2. The next \$400,000 of funds on deposit with a financial institution is insured by the state of Wisconsin Deposit Guarantee Fund.
3. Funds in excess of \$650,000 on deposit with a financial institution require additional collateralization either in the form of segregated cash or U.S. government securities or agencies and shall be evidenced in writing and maintained by an independent third party.

Reason for Policy

The purpose of this policy is to:

1. Establish the district's position concerning the risk and return on investment of excess funds.
2. Define investment responsibilities and instruments as well as guidelines to be used in carrying out related investment activity.

Cross References and Legal Review

Wisconsin Statute 66.0603

Legal Counsel Review and Approval:

Board Policy: III.A. General Executive Constraint, III.D. Budgeting and Forecasting, III.E. Financial Condition, III.F. Asset Protection
