



2.1.070

Investments Policy

Date of last board of trustees review: June 11, 2025

The originator of this policy is the Controller's Office. Questions regarding this policy may be directed to the originator by calling 801-957-4224.

1. Policy

Salt Lake Community College (SLCC) shall invest excess college funds in accordance with state laws, regulations, and policies of the state board of higher education. The primary objectives are to maximize investment income while prioritizing the safety of principal and liquidity needs.

2. References

- A. State Money Management Act, Utah Code Ann. §§ 51-7-1–24.
- B. Uniform Prudent Management of Institutional Funds Act, Utah Code Ann. §§ 51-8-101–604.
- C. Management and Reporting of Institutional Investments, Utah System of Higher Education R. 541.
- D. State Money Management Council, Utah Admin. Code R. 628.
- E. Conflicts of Interest Disclosure, Utah System of Higher Education. R. 541-8.



2.1.070

Investments Procedure

Date of last executive cabinet review: March 11, 2025

The originator of this procedure is the Controller's Office. Questions regarding this procedure may be directed to the originator by calling 801-957-4224.

3. Definitions

- A. **Alternative Investments:** non-traditional asset classes such as high yield or distressed debt, private capital, natural resources, private real estate, or hedge funds.
- B. **College Funds:** all money or funds owned, held, or administered by the college.
- C. **Donated Funds:** funds acquired by gift, devise, or bequest.
- D. **Endowment Funds:** donated funds for which the donor has stipulated that the principle or corpus must be maintained in perpetuity and invested for income generation.
- E. **Finance Committee:** a college committee overseeing all college investing activities.
- F. **Public Treasurer:** an employee, appointed by the board of trustees, responsible for the safekeeping and investment of college funds.
- G. **Quasi-Endowment Funds:** a fund designated internally by the college board of trustees, in which the principal balance will be maintained in perpetuity.
- H. **Institutional Investment Income Fund:** a fund for tracking budgets, revenues, and expenditures related to investment earnings.

4. Procedures

- A. **General Provisions**
 - 1. Investment of college funds shall comply with state law and regulations, including the State Money Management Act, the rules of the State Money Management Council, and state board of higher education policy.
 - 2. Selection of investments shall be made with the exercise of judgment and care, under the circumstances then prevailing, which 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.

3. The college shall manage cash liquidity to maximize funds available for investment, with objectives including:
 - a. Protection and safety of principal.
 - b. Managing liquidity for anticipated and emergency expenditures.
 - c. Recognizing differing financial objectives of various accounts.
 - d. Maximizing the rate of return consistent with these objectives.
4. This policy does not apply to trust funds not owned or controlled by the college or to donated funds with specific investment directions.
5. The college will not participate in alternative investments unless directed by a donor.
6. Only authorized individuals may engage in investment transactions on behalf of SLCC.

B. Authority and Responsibilities

1. The Utah board of higher education delegates investment management authority to the SLCC board of trustees, which further delegates to the College Finance Committee.
2. Under the guidance of the Finance Committee, the public treasurer is authorized to invest college funds. In their absence, the controller or vice president for Finance and Administration may perform investing activities.
3. The board of trustees may delegate investment authority to an independent investment manager if approved.

C. Finance Committee

1. The committee includes:
 - a. at least two representatives from the board of trustees;
 - b. the vice president for Finance and Administration;
 - c. the controller; and
 - d. the treasurer.
2. The committee meets quarterly to:

- a. Review economic conditions and forecasts.
- b. Review the current investment portfolio and results.
- c. Recommend changes to investment strategies.
- d. Adopt revisions to investment pool policies.
- e. Recommend investment counsel or managers to the executive cabinet.
- f. Advise on policies related to investment of college funds, allocation of earnings, or the management of cash to the executive cabinet or the board of trustees.

D. Public Treasurer

1. The vice president for Finance and Administration shall recommend to the board of trustees an employee with appropriate institutional cash and investments knowledge to serve as the college's public treasurer.
2. The public treasurer invests college funds under the Finance Committee's guidance.
3. The public treasurer uses a qualified bank trustee for safekeeping investments and reviews trustee reports.
4. In the public treasurer's absence, the controller or vice president for Finance and Administration may invest college funds.

E. Approval of Investments

1. Daily repurchase agreements, money market funds, and redemption of securities must be approved by one of the following:
 - a. public treasurer;
 - b. controller;
 - c. vice president for Finance and Administration; or
 - d. president.
2. The following investment transactions require approval from two officials listed in 4.E.1.
 - a. Any investment permitted under the Money Management Act, provided it is not a direct obligation of the United States Government, up to a limit of \$5 million par value.
 - b. Direct obligations of the United States Government, up to a limit of \$10 million par value.

3. Transactions exceeding any listed in 4.E.2 require approval from the vice president for Finance and Administration or the president.

F. Investment Pools

1. Funds will generally be pooled for investment purposes.
2. Investment pools may be established to:
 - a. Ensure compliance with legal restrictions and/or donor restrictions.
 - b. Meet investment objectives of similar accounts.
 - c. Maintain cash liquidity for college operations.
3. Establishment of investment pools requires approval from the vice president for Finance and Administration, the president, and the board of trustees.
4. The Finance Committee periodically reviews policies for each investment pool.

G. Distribution of Pooled Investment Income

1. Investment income is distributed quarterly to eligible accounts based on monthly ending cash balances.
2. Eligible accounts include development and endowment accounts and others designated by the president.
3. Income from non-eligible accounts is credited to the Institutional Investment Income Fund.

H. Overdraft Balances

Accounts with temporary negative balances may be charged interest at the same rate of return determined for that quarter.

I. Separate Investments

Funds may be separately invested if:

1. Specified or restricted by the donor;
2. Pledged or dedicated with specific investment objectives; or
3. Approved for separate investment by the vice president for Finance and Administration.

J. Donated Securities

1. Donated funds with specific investment directions will be invested accordingly.

2. Donated securities may be retained and considered invested following this policy.
3. Non-qualifying investments without specific directions will be sold within 30 days unless the Utah Commissioner of Higher Education approves an exception.

K. Endowment and Quasi-Endowment Funds

1. These funds shall be invested following board of higher education policy and the Uniform Prudent Management of Institutional Funds Act.
2. The college may elect to invest its endowment funds with another institution with prior approval from the board of trustees and the board of higher education. It shall adopt the investment guidelines of the institution receiving the funds.
3. When investing these funds, the college shall consider:
 - a. purpose and terms of the endowment;
 - b. economic conditions;
 - c. possible inflation or deflation effects;
 - d. role within the overall portfolio;
 - e. expected total return;
 - f. liquidity needs; and
 - g. an asset's special relationship or special value, if any, to the purposes of the endowment, or to one or more of the beneficiaries.

L. Internal Controls

The college shall establish internal controls evaluated annually by internal or external auditors.

M. Reporting Requirements

The public treasurer submits monthly investment reports to the board of trustees' secretary within 45 days of month-end.

1. Investment reports shall include:
 - a. monthly portfolio activity as well as the details of the college's entire portfolio showing costs and market amounts for each investment and maturity dates, where applicable;
 - b. assertion by the public treasurer that:
 - (1) to the best of the public treasurer's knowledge, the reports accurately reflect

investment activity, cost, and market value of all investments at the month's end; and

(2) all investments conform with the college's policies, the Utah board of higher education policies, the State Money Management Act, and the rules of the State Money Management Council.

2. The board of trustees' secretary shall place the report on the agenda of the board of trustees' next regular meeting, at which time the board of trustees shall approve or reject the reports.
3. If the board of trustees approves the reports, the college shall submit a copy of the reports to the Office of the Commissioner for Higher Education (OCHE) no later than 30 days after trustee approval. Reports submitted to the OCHE shall be accompanied by a letter indicating that the president has reviewed the reports.
4. The college shall submit a summary of all investments under its jurisdiction annually, at fiscal year-end, to the OCHE on the forms the OCHE provides.
5. Institutional investments shall be audited by Internal Audit annually, and the completed audit reports will be submitted to OCHE by January 15. The report shall also be submitted to the president and the board of trustees.

N. Independent Investment Managers and Counsel

1. External investment counsel may be appointed to advise the public treasurer.
2. External investment managers may be retained to manage one or more investment pools.
3. Investment counsel and managers are to be chosen based on performance, reputation, and cost.
4. Appointments of investment counsel and managers are subject to annual review.
5. The public treasurer is authorized to select and use the services of the Utah Money Management Council qualified investment brokers in conjunction with the routine purchasing and selling of investments.

O. Ethics and Conflicts of Interest

1. Finance Committee members have a fiduciary duty to be free of any conflict of interests that may influence their decisions when representing the college.
2. On an annual basis, members must complete and submit a conflict of interest statement to the Finance Committee secretary disclosing:
 - a. any material financial interests in financial institutions that conduct business

with the college; and

- b. any large personal financial/investment positions that may affect the performance of investment duties or the performance of the college's portfolio.
3. Committee members must subordinate their personal investment transactions to the college's investment interests, particularly regarding the timing of purchases and sales.