

# SOUTHEASTERN UNIVERSITY

## GENERAL ADMINISTRATIVE POLICY

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**TITLE:** Investment Policy - Short Term

**POLICY NUMBER:**

**EFFECTIVE DATE:** April 25, 2002

**REVISION DATE:** March 30, 2009

**ACCREDITATION STANDARDS:**

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**POLICY:**

The University has the option to invest cash that is in excess of needed short-term cash requirements.

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**PURPOSE:**

To comply with IRS Form 990.

To optimize return on assets in the short-run for funds received at the start of each semester.

To preserve the investment principal and provide a dependable source of income that exceeds the daily "sweep" rates.

To ensure cash is available for current operations.

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**SCOPE:**

All current fund cash receipts for tuition, room, board, and fees are covered by this policy.

The majority of the University's cash is received near the beginning of each semester. Cash is used fairly consistently throughout the academic year. Thus, cash received at the start of the semester should be invested for staggered terms of maturity that allows the University to maximize the return on assets; and ensure cash flow is adequate for current operations.

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**DEFINITIONS:**

Staggered terms of maturity - Represents maturity date(s) of short-term investments and they must coincide with the projected cash requirements of the University.

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**FORMS AND APPLICABLE DOCUMENTS:**

Cash Budget worksheet

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**PROCEDURES:**

Controller - Prepares cash budget worksheet each semester.

Vice President for Finance and Administration - Uses the cash requirements projections to determine the amounts and timing of short-term investments.

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Vice President for Finance and Administration - Selects investment manager and invest short-term assets. Periodically reviews return on assets performance.

Investment Manager - The investment managers are to have complete investment discretion with the expectation that funds will be invested with care, skill, prudence, and diligence.

Investment Manager - The investment managers are responsible for frequent and open communication with the University on all significant matters pertaining to the assets managed. Objective evaluations of investment managers are to be made periodically.

Finance and Audit Committee - Review the investment strategies and provide advice to the Vice President for Finance and Administration as it relates to short-term investments.

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### **APPROVAL:**

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### **DISTRIBUTION:**

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**AUTHOR:** Controller