

	POLICY	Motion No.	FF 1017-2009
	Investment	Effective Date	10/27/2009
		Responsible Department	Finance
		Attorney Review / Date	[Attorney Name] [Date]

SCOPE

The investment policy applies to all financial assets of Pennsylvania Highlands Community College. The funds are accounted for in Pennsylvania Highlands Community College's Annual Financial Report and include operating and cash reserve funds.

POLICY

PRUDENCE

Investments will be made with judgment and care. Investments will be made considering the safety of capital as well as income, not for speculation. The standard of prudence to be used by investment officials will be the "prudent person" standard and will be applied in the context of managing an overall portfolio. The investment offices acting in accordance with the investment policy and exercising due diligence will be relieved of personal responsibility for an individual security's credit risk or market price changes, provided changes are reported in a timely manner and appropriate action is taken to control adverse developments.

OBJECTIVE

The safety of principal is the most important objective of the investment program. Pennsylvania Highlands Community College's investment portfolio will remain sufficiently liquid to enable the college to meet all operating requirements which might be reasonably anticipated. The college's investment portfolio will be designed with the objective of attaining a rate of return to meet budgetary needs.

DELEGATION OF AUTHORITY

Management responsibility for the investment program is hereby delegated to the Vice President of Finance and Administration, who will establish procedures for the investment program consistent with the investment policy. No person may engage in an investment transaction except as provided under terms of this policy.

ETHICS AND CONFLICTS OF INTEREST

Employees and Trustees involved in the investment process will not be involved in personal business activity that could conflict with proper execution of the investment program. Investment officials will disclose any material financial interests in financial institutions that conduct business with the college.

QUALIFIED FINANCIAL INSTITUTIONS

All deposits will be made in a qualified public depository as established by state law. A current audited financial statement is required to be on file for each financial institution in which the college invests.

AUTHORIZED INVESTMENTS

Pennsylvania Highlands Community College is empowered to invest in the following:

- Interest bearing savings accounts, interest bearing money market accounts, and interest bearing checking accounts at any bank, savings and loan association or credit union in the State of Pennsylvania.
- Obligations of the United States government, its agencies and instrumentalities.
- Certificates of deposit and other evidences of deposit at federally insured Pennsylvania depository institutions.

MATURITIES

Pennsylvania Highlands Community College will attempt to match its investments with anticipated cash flow requirements. Unless matched to a specific cash flow, the college will not directly invest in securities maturing more than two year from the date of purchase.

Reserve funds may be invested in securities exceeding one year of maturity if such investments are made to coincide as nearly as practicable with the expected use of the funds.

INTERNAL CONTROL

The Vice President of Finance and Administration will establish an annual process of independent review by an external auditor. The review will provide internal control by assuring compliance with policies and procedures.

REPORTING

The Vice President of Finance and Administration will provide investment reports to the College President and Board of Trustees annually.

Effective Date	Motion Number	Document Author	Description of Change
10/27/2009	FF 1017-2009	Finance	Initial Release