

ADMINISTRATIVE PROCEDURE 6320 INVESTMENTS

The Chancellor directs the Vice Chancellor of Finance and Administration to invest public funds in a manner providing the highest investment return, given security considerations, while meeting the daily cash flow needs of the district and conforming to all applicable federal, California, and local laws governing the investment of public funds. Investments should be in accordance with the District's Mission as defined in Board Policy 1200 to the extent permitted by Government Code 53600 et seq

I. Scope

This administrative procedure applies to all funds of the Peralta Community College District with the exception of funds invested as part of the District's Other Post Employment Benefits (OPEB) program.

- A. **Alameda County.** All funds of the Peralta Community College District deposited with the Alameda County Treasurer shall be invested in accordance with Government Code Section 27000.5, in accordance with the investment policy developed pursuant to Government Code Section 27133, and under the direction of the Alameda County.
- B. **Guidelines.** Pursuant to Government Code Section 53646, all other funds of the Peralta Community College District shall be invested in accordance with the following guidelines:
 1. **Prudence.** Investments shall be made with judgment and care which persons of prudence, discretion and intelligence exercise in management of their own affairs not for speculation, but for investment, considering the probable safety of capital as well as the probable income to be derived. The standard of prudence to be used by investment officials shall be the "prudent person" standard and shall be applied in the context of managing an overall portfolio. Investment officers acting in accordance with written procedures, and investment policy exercising due diligence shall be relieved of personal responsibility of an individual security's credit risk or market price changes, provided deviations from expectations are reported in a timely fashion and appropriate action is taken to control adverse development.
 2. **Safety.** Safety of principal shall be the foremost objective of the investment program. Investments of the Peralta Community College District shall be undertaken in a manner that seeks to ensure the preservation of capital of the overall portfolio. To obtain this objective, diversification is required so that potential losses on individual securities do not exceed income generated from the remainder of the portfolio.
 3. **Liquidity.** The Peralta Community College District's investment portfolio shall remain sufficiently liquid to meet all operating requirements, which may reasonably be anticipated.
 4. **Return on Investment.** The Peralta Community College District's investment portfolio shall be structured with the objective of attaining a rate of return throughout budgetary and economic cycles, commensurate with investment risk constraints and cash flow characteristics of the portfolio.

II. Authority

- A. **Delegation of Authority.** The authority to invest funds not deposited with the County Treasurer is granted to the Vice Chancellor Finance and Administration. Authority to manage the investment portfolio and establish written procedures for the operation of the investment program consistent with

applicable law and the Peralta Community College District's Investment Policy is delegated to the Vice Chancellor Finance and Administration.

- B. **Ethics and Conflict of Interest.** Officers and employees involved in the investment process shall refrain from personal business activity that may conflict with proper execution of the investment program, or which could impair their ability to make impartial investment decisions.

III. Instruments.

- A. Authorized and Suitable Investments. Funds invested by the Peralta Community College District shall be in the following instruments, under the parameters outlined in Government Code Sections 53635, 53601, and 53631.5:

1. Negotiable Certificates of Deposit
2. Money Market Funds
3. Collateralized Bank Deposits
4. Time Deposits
5. County Pooled Investment Funds

- B. **Prohibited Investments.** Pursuant to Government Code Sections 53601.6, funds of the Peralta Community College District shall not be invested in any of the following instruments:

1. Inverse Floaters
2. Range Notes
3. Interest Only Strips

IV. Reporting.

The Chancellor shall, pursuant to Government Code Section 53646, submit a quarterly investment portfolio status report to the Board of Trustees. Said report shall detail:

- A. Investment types
- B. Names of issuers
- C. Maturity dates
- D. Par and dollar amounts invested in each security, investment and money
- E. Weighted average maturity of the investments
- F. Any funds being managed by contracted parties
- G. Market value as of the date of the report and source of valuation
- H. Description of compliance with Investment Policy
- I. Current market value of funds managed by a contracted party

V. Policy Adoption

The Peralta Community College District's investment policy shall be adopted annually by resolution of the Board of Trustees. The policy shall be reviewed annually, and the Board of Trustees must approve any modifications made hereto.

References:

Regarding "Other Investments" see Government Code Sections 53601, 53601.8, 53635.8 which permit many very specific investments.

Approved by the Chancellor: September 24, 2012

Revised and approved by the Chancellor: August 7, 2014