

San Mateo County Community College District Investment Procedures

Procedure: Investment Procedures

Position Responsible: Chief Financial Officer and Controller

Dates Procedure Performed: As required

Documentation Required: Interest rate survey report, investment contracts, investment statement

Resources Required: None

Outside Training Required: None

Deliverables: Wire transfers out and transfers in

Supervisor Responsible: Chief Financial Officer

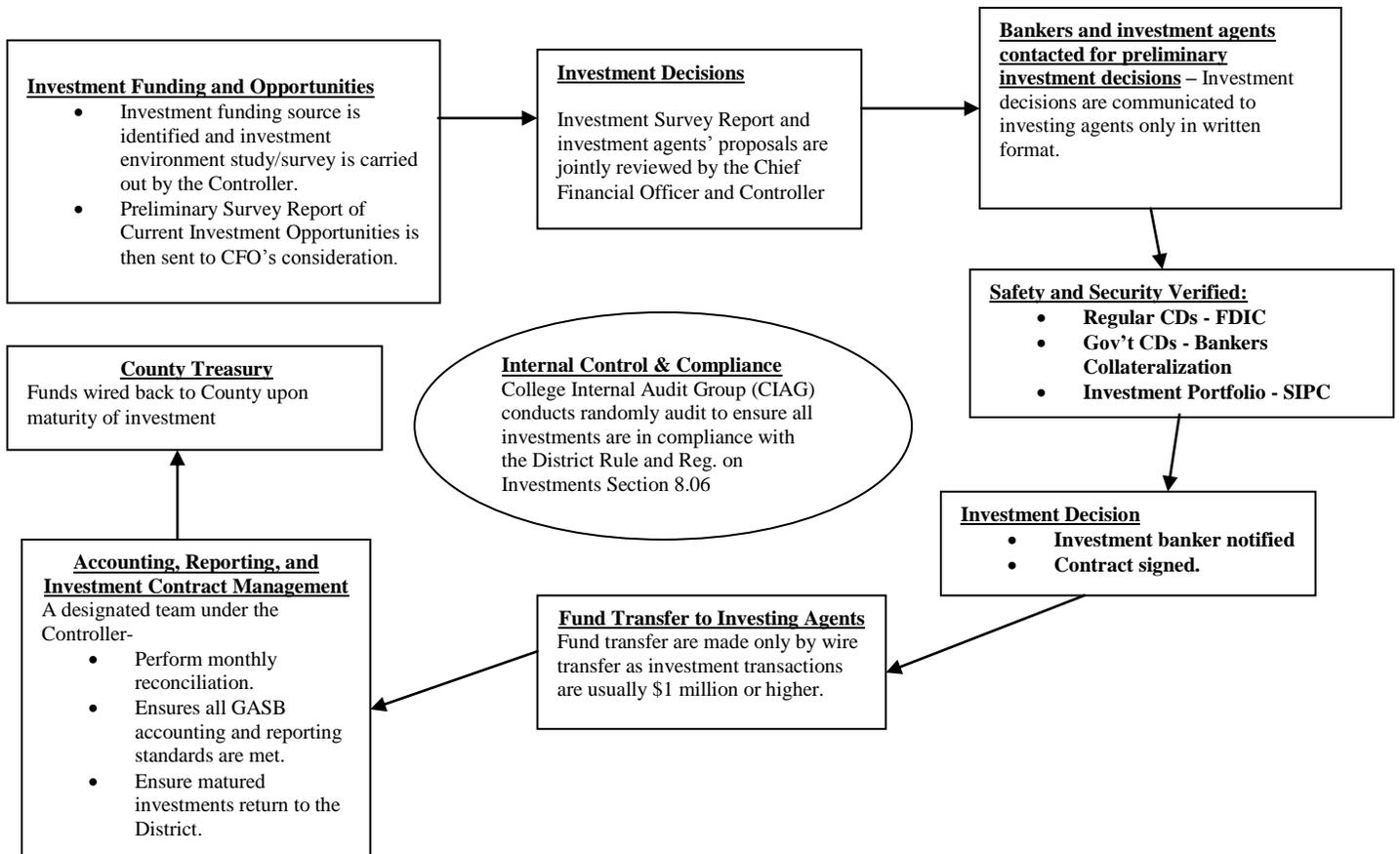
Evidence of Completion Required: Investment Contract, Monthly Investment Statement, Certificate of Deposits

Applicable Board Policies: [SMCCCD Rules and Regulation section 8.06](#)

Applicable Laws and Regulations:

- California Government Code [Section 53600.6](#) (Solvency and creditworthiness), see Appendix A

The Investment Cycle



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Investment Objectives and Guidance Rules:

The primary investment objectives, in priority order, shall be:

- Safety;
- Liquidity;
- Return on investment.

Targeted at the investment objectives listed above, the Chief Financial Officer and the Controller are responsible for investing the funds of the District that are not required for the immediate needs of the District. Funds so invested shall follow the [investment policy# 8.06](#) approved by the Board of Trustees in accordance with the Government Code Sections cited above and the detail investment management procedures below.

Investment Management – Performance Steps:

Both short term and long term cash flow planning are carried out by the Controller on an ongoing basis, once excess cash funds are identified, the Controller will invest the excessive funds in the following order:

Approval process-

1. Conduct preliminary investment environment study/survey.
2. Bankers and investment agents will be invited to submit quote and proposals.
3. Quotes and proposals will be summarized and will be sent to CFO's consideration.
4. Quotes and proposals will be jointly reviewed by the CFO and the Controller.
5. Approved quotes/proposals will be forwarded to investment staff for execution.

Investment Account Opening Process-

6. New account - upon receipt of approved investment details, the investment team will contact the bankers/investment agents to open investment account.
7. Safety and security confirmation – the following insurance and security confirmations will be obtained before opening of account-
 - FDIC insurance for regular CDs
 - Collateral letter for governmental CDs
 - SPIC insurance for investment portfolios.
8. Investment contracts will be signed and archived in the GA Intranet.
9. Wire instructions and transfer will be approved by Controller.
10. Wire-transfer of investing funds will be set up per investment detail instructions through County Treasury/SMCCCD sub-account to the investment institutions/bankers.

Accounting, Reporting and Reconciliation of Investment Activities –

Under the supervision of the Controller-

11. The GL/bank reconciliation team –
 - Will perform monthly reconciliation of all investment accounts.
 - Will ensure all GASB reporting requirements are adhered – Mark to Market value are adjusted at the end of each reporting cycle.

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- A master investment schedule/table under the GA Intranet is continuously updated and monitored for cash flow planning and audit purposes.
12. The investment team –
- Will monitor maturity dates of all investments and continuously update the Controller for cash flow planning.
 - Will ensure all investment funds are returned to the District upon maturity of contracts. Funds will be wired back to County Treasury/ SMCCCD sub-account.

Internal Control, Audit and Compliance Check

The College Internal Audit Group (CIAG) conducts random audits to ensure all investment activities are in compliance with the [SMCCCD Rules and Regulation section 8.06](#)

Appendix A - California Government Code [Section 53600.6](#) (Solvency and creditworthiness)

Excerpt from <http://www.leginfo.ca.gov> [Section 53600.6](#)

53600.6. The Legislature hereby finds that the solvency and creditworthiness of each individual local agency can impact the solvency and creditworthiness of the state and other local agencies within the state. Therefore, to protect the solvency and creditworthiness of the state and all of its political subdivisions, the Legislature hereby declares that the deposit and investment of public funds by local officials and local agencies is an issue of statewide concern.