

**Applies to:** College administration and fiscal staff

**Responsible Office**

**Business and Finance**

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### **POLICY STATEMENT**

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As a state technical college, Central Ohio Technical College (COTC) is held to specific guidance in regards to the investment of its funds. This policy describes the parameters by which the college can invest its short-term public funds.

#### **Purpose of the Policy**

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To establish guidelines for the investment of its short term public funds in a manner which will provide the highest investment return with the maximum security and safety while meeting daily cash flow demands and conforming to Chapter 135 of the Ohio Revised Code, section 3345.05 of the Ohio Revised Code, section 3357.10(C) of the Ohio Revised Code, and all other applicable statutes governing the investment of public funds by Central Ohio Technical College. The authority to conduct the purchase and sale of investments is limited to those individuals specifically designated by the Board, the President or the Vice President of Business and Finance.

#### **Policy Details**

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- I. **Scope.** This Short-term Investments Policy applies to all financial assets of Central Ohio Technical College except for COTC's long-term endowments.
- II. **Prudence.** Investments shall be made under the industry standard "Prudent Investor Rule" which states, "Investments shall be made with judgment and care, under circumstances then prevailing which persons of prudence, discretion and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the probable safety of their capital as well as the probable income to be derived."
- III. **Objectives.** The primary objectives of the college's investment activities shall be: safety of principal, liquidity to meet operating requirements, and return on investment attaining a market rate of return taking into account cash flow characteristics.
- IV. **Ethics and Conflict of Interest.** Designated college employees involved in the investment process shall refrain from personal business activity that could conflict with proper execution of the college investment program, or which could impair the ability to make impartial investment decisions. Employees and investment consultants shall disclose any material financial interest in financial institutions and any large personal financial or investment position that could be related to, or affected by, the performance of the college's portfolio. All employees, officers and investment consultants to the college shall subordinate their personal investment transactions to those of the college, particularly with regard to the timing of the purchases and sales.
- V. **Authorized Financial Dealers and Institutions.** The college shall maintain a list of approved financial institutions and securities dealers with whom the college will transact investment activities.
- VI. **Authorized Investments.** The college shall only invest in the following types of securities:
  - A. Limited to a final maturity of no more than five years. This category of securities includes, but is not limited to, the following:
    1. Certificates of Deposit, savings accounts and deposit accounts with federally

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insured financial institutions.

2. United States treasury bills, bonds, notes, or any other obligations or securities issued by the United States Treasury or any other obligation guaranteed as to the principal and interest by the United States.
  3. Securities issued directly by federal agencies or instrumentalities.
  4. Bonds or other obligations of the State of Ohio.
  5. The State Treasury Asset Reserve of Ohio (“STAR Ohio”).
- B. Limited to a final maturity of no more than 270 days. This category of securities includes, but is not limited to, the following:
1. Commercial Paper of the highest quality in the United States according to section 135.14 of the Ohio Revised Code.

VII. Internal Controls. A current inventory of all investments shall be maintained including the following: Description of security, cost, purchase, sale and maturity dates, and effective yields.

### Responsibilities

Position or Office	Responsibilities
Business & Finance	Establishment of accounts and monitoring of college investments.

### Contacts (required)

Subject	Office	Telephone	E-mail/URL
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### History

Issued: 08/08/2022