CAPE COD COMMUNITY COLLEGE

INVESTMENT POLICY

BACKGROUND

Chapter 15A of the Massachusetts General Laws provides that the Cape Cod Community College Board of Trustees has the authority to establish and manage trust funds. Assumed within that authority is the responsibility for appropriate management of the College’s assets, including the prudent investment of local trust funds. This Investment Policy is intended to guide the Trustees’ Finance and Personnel Committee and the College Administration in the investments of cash balances held in various College accounts.

SCOPE

The Cape Cod Community College Investment Policy applies to locally held funds that are not appropriated by the State Legislature or derived from federal allocations. The policy specifically applies to Board designated trust funds, which are considered unrestricted current funds.

OBJECTIVES

The Investment Policy is guided by the following objectives:

1. Preservation of Capital and Safety of Principal: The College is heavily reliant upon the local trust funds for its operating budget. Therefore, it is critical that funds which are invested remain in safe-keeping and that the capital be preserved.

2. Liquidity: Sufficient funds must be available to meet the College’s projected cash flow needs throughout the year. The liquidity objective is particularly important because the College’s revenues are cyclical and because its expenses cannot be addressed through borrowing.

3. Return on Investment: The Board and College Administration have a fiduciary responsibility to retain the buying power of the trust funds. Thus, the rate of return should at least match the rate of inflation, and, to the extent possible, exceed the rate of inflation while minimizing risk.

Given these objectives, the Board of Trustees will support the investment of trust funds in a variety of vehicles, including bank instruments, bonds, government and commercial paper of high quality, and mutual funds holding any or all of the above. The Board delegates to the President or to her/his designee the authority to invest the balances from local trust funds in instruments which are consistent with the objectives and guidelines stated in this policy.

ETHICS AND CONFLICT OF INTEREST

Trustees, officers, and employees of Cape Cod Community College involved in the investment process shall refrain from personal business activities that could conflict with the proper execution of the investment program. Even the perception of a conflict of interest should be avoided to the greatest extent possible.

Approved by the Board of Trustees
November 19, 1988