



Board Policy 7.5 Financial Institutions and Investments

Part 1. Policy Statement

Each college, university, and the system office shall maintain an effective program of cash management, including depositories and collateral requirements, in compliance with applicable state and federal law, board policies, and system procedures.

Part 2. Financial Institution Practices

Subpart A. Safekeeping of funds

All college, university, and system office funds must be:

1. Deposited for safe keeping in financial institutions selected in accordance with provisions of Minnesota Statutes, effective financial administration, and effective community relationships; and
2. Invested in accordance with applicable federal and state law, board policy, and system procedures.

Subpart B. Official custodian

The Board of Trustees designates each college, university, and the system office as an official custodian to the extent necessary to meet the requirements of Federal Deposit Insurance Corporation regulations.

Subpart C. Authorized staff

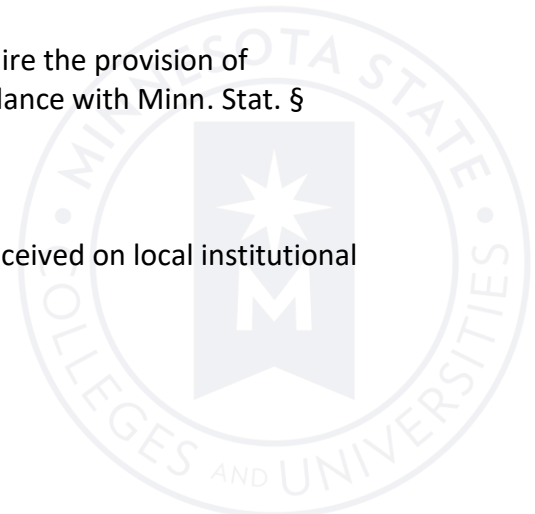
Documentation authorizing specific staff to sign checks or initiate funds movements for all financial institution accounts, pooled investments accounts, or money market funds must be approved by the president for a college or university or the chancellor for the system office.

Subpart D. Collateral

Agreements with depository financial institutions must require the provision of adequate collateral to assure safety of these funds in accordance with Minn. Stat. § 118A.03 and other applicable law.

Subpart E. Earned interest

As permitted by statutes and system procedures, interest received on local institutional funds may be credited to appropriate accounts.



Part 3. Daily Deposits

All monies received by the college, university, or the system office must be deposited in accordance with Minn. Stat. § 16A.275.

The college, university, or the system office may deposit less frequently than daily if authorized by Minnesota Management and Budget.

Part 4. Accountability/Reporting

The board must be updated on financial institution relationships and investment management on an exception reporting basis and advised of any recommended policy changes.

Date of Adoption: 06/21/2000

Date of Implementation: 06/21/2000

Date of Last Review: 05/18/2021

Date and Subject of Amendments:

05/19/21 – As part of the 5 year review process, amendment contained technical edits and application of the new formatting and writing standards.

06/17/15 – Suspended the rules to amend on the first reading, Part 3 Daily Deposits to establish Minnesota Statute 16A.275 as the source for rules regarding deposits.

Including, allowing college, university, or system office to deposit less frequently than daily if a waiver has been granted by Minnesota Management and Budget.

Additional HISTORY.