

**MINNESOTA STATE COLLEGES AND UNIVERSITIES  
BOARD OF TRUSTEES  
Agenda Item Summary Sheet**

**Name:** Finance and Facilities Committee

**Date:** November 18, 2014

**Title:** Proposed Amendments to Policy 7.5 Financial Institutions and Investments - First Reading

**Purpose (check one):**

- |  |   |   |
|--|---|---|
| <input checked="" type="checkbox"/> Proposed<br>New Policy or<br>Amendment to<br>Existing Policy | <input type="checkbox"/> Approvals<br>Required by<br>Policy | <input type="checkbox"/> Other<br>Approvals |
| <input type="checkbox"/> Monitoring /<br>Compliance  | <input type="checkbox"/> Information                        |   |

**Brief Description:**

Board Policy 1A.1, Part 6, Minnesota State Colleges and Universities Organization and Administration, requires periodic review of all board policies. Staff reviewed Policy 7.5 this fall and proposed some revisions. The revisions were reviewed by the Office of General Counsel and cabinet, then sent out for formal consultation and received support from the presidents, employee representative groups, student associations and campus leadership groups. All comments received from the consultation were taken into consideration.

**Scheduled Presenter(s):**

Laura M. King, Vice Chancellor - CFO

**BOARD OF TRUSTEES  
MINNESOTA STATE COLLEGES AND UNIVERSITIES**

*First Reading*

**BOARD ACTION**

**Proposed Amendments to Board Policy 7.5 Financial Institutions and Investments  
(First Reading)**

**BACKGROUND**

Board Policy 7.5, Financial Institutions and Investments, was adopted by the Board of Trustees and became effective June 10, 2000. The policy was last reviewed on June 10, 2009 and no changes were made. Board Policy 1A.1, Part 6, Minnesota State Colleges and Universities Organization and Administration, requires periodic review of all board policies. Staff reviewed Board Policy 7.5 this fall.

**PROPOSED AMENDMENTS**

The proposed amendments to Policy 7.5 are reflected in the track-change copy of the policy on the following page.

**REVIEW PROCESS**

The proposed board policy revision was circulated in accordance with procedures to all presidents, employee representative groups, student associations and campus leadership groups. The policy review was discussed with the Leadership Council. All comments received during the review process have been examined and responses sent.

**RECOMMENDED COMMITTEE ACTION:**

The Finance and Facilities Committee recommends the Board of Trustees adopt the following motion:

The Board of Trustees approves the changes to Board Policy 7.5 Financial Institutions and Investments.

**RECOMMENDED BOARD MOTION:**

The Board of Trustees approves the changes to Board Policy 7.5 Financial Institutions and Investments.

*Date Presented to the Board of Trustees: November 18, 2014*

1 **DRAFT**

2  
3 **7.5 Financial Institutions and Investments**

4 Board Policies

5 Chapter 7 - General Finance Provisions

6 [Click here for a PDF copy of this policy](#)

7 ~~Part 1. Policy Authority Statement.~~

8 ~~It is the policy of the Board of Trustees that each college, university, and college, and the system~~  
9 ~~office president shall maintain an effective program of cash management, including and follow the~~  
10 ~~legal requirements regarding depositories and collateral requirements, in compliance with applicable~~  
11 ~~state and federal law, board policy, and system procedures.~~

12 ~~Part 2. General Responsibilities~~

13 ~~All financial institutions and investments shall be conducted in accordance with the provisions of~~  
14 ~~Minnesota Statutes, Board policy, and system procedures. The Board of Trustees expects that~~  
15 ~~community relationships will be balanced against efficient financial institution administration.~~

16 ~~Subpart A. Financial Institution Practices.~~

17 Subpart A. Safekeeping of funds. All system office, college or university funds must be:

- 18 1. Deposited for safe keeping in financial institutions selected in accordance with  
19 provisions of Minnesota Statutes, efficient financial administration, and effective  
20 community relationships; and  
21 2. Invested in accordance with applicable federal and state law, including as specified by  
22 Minn.esota Stat. § 118A.03, and board policy and system procedures [\(see related](#)  
23 [documents below\)](#).

24 Subpart B. Official custodian. The Board designates each college, university and the system  
25 office as an official custodian to the extent it meets the requirements of Federal Deposit  
26 Insurance Corporation regulations.

27 Subpart C. Authorized staff. Documentation specifying staff authorizing specified staffed  
28 to sign checks or initiate funds movements, or changes thereto, for all financial institution  
29 accounts, pooled investments accounts, or money market funds must~~shall~~ be approved by  
30 the chancellor for the system office and by the president for a college or university.

31 Subpart D. Collateral. Agreements with depository financial institutions selected  
32 must~~shall~~ furnish require the provision of adequate collateral to assure safety of these funds  
33 in accordance with provisions of Minnesota Stat. § 118A.03 and other applicable laws~~utes~~.

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

36 ~~Subpart B. Investments~~  
37 ~~Local institutional funds shall be invested in funds authorized by Minnesota Statutes and in a~~  
38 ~~manner consistent with system procedures and guidelines.~~

39 ~~Subpart 3. C. Safekeeping Daily Deposits.~~  
40 All monies received by the system office, college or university shall be deposited daily, unless such  
41 receipts are less than ~~\$250~~1,000 in which event deposits may be deferred until they total such sum.

42 ~~Part 43. Accountability/Reporting.~~  
43 ~~The Board of Trustees will~~ shall ~~be periodically~~ updated on financial institution relationships and  
44 investment management on an exception reporting basis and advised of any recommended policy  
45 changes.