

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

Agenda Item Summary Sheet

Name: Finance and Facilities Committee

Date: January 28, 2015

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

Purpose (check one):

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

Second Reading

BOARD ACTION

**Proposed Amendments to Board Policy 7.5 Financial Institutions and Investments
(Second 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. 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. The first reading of the amendments to Policy 7.5 to the board took place on November 18, 2014.

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.

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

RECOMMENDED COMMITTEE ACTION:

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: January 28, 2015



**Minnesota State Colleges and Universities
Board Policies
Chapter 7 General Finance Provisions**

7.5 Financial Institutions and Investments

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

Part 1. Policy Authority Statement.

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

Part 2. General Responsibilities

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

Subpart A. Financial Institution Practices.

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

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

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

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

39 **Subpart D. Collateral.** Agreements with depository financial institutions ~~selected~~
40 ~~must~~ shall ~~furnish~~ require the provision of adequate collateral to assure safety of these
41 funds in accordance with ~~provisions of~~ Minnesota Statutes § 118A.03 and other
42 applicable laws.

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

45 ~~Subpart B. Investments~~

46 ~~Local institutional funds shall be invested in funds authorized by Minnesota Statutes and in a~~
47 ~~manner consistent with system procedures and guidelines.~~

48 ~~Subpart 3. C. Safekeeping~~ **Daily Deposits.**

49 All monies received by the system office, college or university shall be deposited daily, unless
50 such receipts are less than ~~\$250~~ 1,000 in which event deposits may be deferred until they total
51 such sum.

52 **Part 43. Accountability/Reporting.**

53 ~~The board of Trustees will~~ shall ~~be periodically~~ updated on financial institution relationships and
54 investment management on an exception reporting basis and advised of any recommended policy
55 changes.