



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

7.5 Financial Institutions and Investments

Part 1. Policy Statement. It is the policy of the Board of Trustees that 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 policy, and system procedures.

Part 2. 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, effective financial administration, and effective community relationships; and
2. Invested in accordance with applicable federal and state law, including 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 authorizing specific staff to sign checks or initiate funds movements, or changes thereto, for all financial institution accounts, pooled investments accounts, or money market funds must be approved by the chancellor for the system office and by the president for a college or university.

Subpart D. Collateral. Agreements with depository financial institutions must require the provision of adequate collateral to assure safety of these funds in accordance with Minnesota Statutes § 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 system office, college or university shall be deposited in accordance with Minnesota Statutes § 16A.275.

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

Part 4. Accountability/Reporting. The board shall be updated on financial institution relationships and investment management on an exception reporting basis and advised of any recommended policy changes.

Date of Adoption: 06/21/00,

Date of Implementation: 06/21/00,

Date and Subject of Revision:

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.*

01/29/15 - *Amended to clean up language throughout. New Part 2, Subpart B was added,*

11/16/11 - *Effective 1/1/12, the Board of Trustees amends all board policies to change the term "Office of the Chancellor" to "system office," and to make necessary related grammatical changes.*

06/18/03 - *changes "system office" to "office of the chancellor; in Part 3 changed updates to "an exception reporting basis"*

06/21/00 - *Contains and amends language formerly in Board policy 7.1, Part 2, Subpart B, External bank accounts.*