

AP 6320 Investments

Reference: **Government Code Section 53600 et seq.**

Date Issued: December 3, 2008

Reviewed: June 17, 2014

The Vice Chancellor Business Services is responsible for investing the funds of the District that are not required for the immediate needs of the District. Funds so invested shall follow the investment policy approved by the Governing Board in accordance with the Government Code Sections cited above and the following:

- Funds not required for the immediate needs of the District shall be prudently invested in order to earn a return on such investment.
- The preservation of principal is of primary importance. Each transaction shall seek to ensure that capital losses are avoided, whether from securities or erosion of market value.
- The investment program should remain sufficiently flexible to enable the District to meet all operating requirements that may be reasonably anticipated in any fund. After preservation of principal, liquidity is the objective.
- In managing District investments, District officials should avoid any transactions that might impair public confidence.
- Investments should be made with precision and care, considering the probable safety of the capital as well as the probable income to be derived. (See Government Code Section 53600.6 regarding solvency and creditworthiness.)

The Chancellor shall prepare and annually present to the Governing Board for information the ~~written~~ [documented](#) investment plan related to this Board policy, and shall, during the course of the year, update the Board on the status of the District's [cash balances and](#) investments.

District funds maintained by the County Treasurer [or the District's banking institutions](#) that are not required for the immediate needs of the District may be invested as follows:

- County Treasurer's Investment Pool. Investment of District funds may be delegated to the County Treasurer. In accordance with county procedures, District funds may be pooled with other local agencies and invested by the County Treasurer in accordance with the investment guidelines specified by the Government Code and investment policies adopted by the County Board of Supervisors.
- State's Local Agency Investment Fund. District funds not required for immediate needs of the District may be remitted to the State Local Agency Investment Fund (LAIF) for the purpose of investment. District funds deposited with the LAIF shall be invested by the State Treasurer in securities prescribed by Government Code, or the Surplus Money Investment Fund, as determined by the Local Investment Advisory Board.
- Other Investments. Other investments as permitted by Government Code may be made by the Vice Chancellor-Business Services subject to prior approval of the Governing Board.