3.9.4 INVESTMENT OF IDLE CASH

Last Revised: January 2011

**Policy Statement:** Piedmont Community College shall have the power to purchase, sell, and exchange securities on behalf of the Board of Trustees.

**Purpose/Definitions:** This policy outlines the procedure for investing idle cash.

**Approval Authority/Monitoring Authority:** Piedmont Community College’s Board of Trustees has approval authority for this policy.

**Procedure:** North Carolina General Statute § 115D-58.6 governs the investment of idle cash:

The institution may deposit at interest or invest all or part of the cash balance of any fund in an official depository of the institution. The institution shall manage investments subject to whatever restrictions and directions the board of trustees may impose. The institution shall have the power to purchase, sell, and exchange securities on behalf of the board of trustees. The investment program shall be so managed that investments and deposits can be converted into cash when needed.

Moneys may be deposited at interest in any bank, savings and loan association, or trust company in this state in the form of certificates of deposit or such other forms of time deposits as may be approved for county governments. In addition, monies may be deposited in the form of certificates of deposit as provided for a local government or public authority in G.S. 159-30(b1). Investment deposits shall be secured as provided in G.S. 159-31(b).

Moneys may be invested in the form of investments pursuant to G.S. 159-30(c) to county governments and no others. Money in endowment funds may be invested pursuant to G.S. 147-69.2. Provided, however, the institution may elect to deposit at interest any local funds with the State Treasurer for investment as special trust funds pursuant to the provisions of G.S. 147-69.3, and the interest thereon shall accrue to the institution as local funds.

Investment securities may be bought, sold, and traded by private negotiation, and the institutions may pay all incidental costs thereof and all reasonable costs of administering the investment and deposit program from local funds. The institution shall be responsible for their safekeeping and for keeping accurate investment accounts and records.

Interest earned on deposits and investments shall be credited to the fund whose cash is deposited or invested. Cash of several funds may be combined for deposit or investment if not otherwise prohibited by law;
and when such joint deposits or investments are made, interest earned shall be prorated and credited to the various funds on the basis of the amounts thereof invested, figured according to an average periodic balance or some other sound accounting principle. Interest earned on the deposit or investment of bond funds shall be deemed a part of the bond proceeds. Registered securities acquired for investment may be released from registration and transferred by signature of the official designated by the board of trustees.

Legal Citation: N.C.G.S. § 115D-58.6

History: Effective January 1988; revised October 2001; reviewed September 2010