



## FINANCIAL SERVICES

### INVESTMENT STRATEGY

#### **Assessment of Available Cash Balances for Investment**

During 2011-2012, operating cash balances are anticipated to be at a level sufficient to provide for timely payment of expenditures while still earning interest income on remaining balances. Preliminary budget projections for 2011-2012 indicate a decrease in surplus cash to be invested on a short-term basis when compared with the surplus cash invested in 2010-2011.

The College does not currently have an unused balance of bond proceeds that is expected to extend beyond the current fiscal year budget cycle.

Pursuant to revenue bond issue covenants, the College has and will continue to maintain a reserve balance of funds necessary to ensure compliance with the requirements.

#### **Strategy for All Funds**

- Investments must be such that both principal and interest are available on a given date to provide for timely payment of expenditures.
- Investment maturities will be matched to cash flow requirements.
- Remaining cash balances in the College's bank accounts or "float" balances will draw interest under the terms of the depository contract with respect to interest bearing checking accounts.
- If large and/or long term cash surpluses exist, other acceptable investments will be pursued to maximize the College's interest earnings. However, preservation and safety of principal will be the priority.

#### **Types of Investments**

The College's surplus funds will be invested in available interest bearing checking accounts and certificates of deposit of the College's depository bank; other national bank certificates of deposit; and the TexPool investment service for public funds.