

Business and Fiscal Affairs

BP 6320 INVESTMENTS

References:

Government Code Sections 53600 et seq.

Authority

The **Chancellor**, is responsible for ensuring that the funds of the District are invested that are not to be required for the immediate needs of the District.

Funds so invested shall follow the investment policy approved by the Board of Trustees in accordance with the California Government Code Sections 53600 to 53635.

The investment policy establishes cash management and investment guidelines for the District officials responsible for the stewardship of District funds. Funds which are determined to be not required for the immediate needs of the District shall be prudently invested in order to earn a return on such investment.

The specific objectives for all the funds invested are listed in order of importance, as follows:

1. **Safety of Principal** - The preservation of principal is of primary importance. Each transaction shall seek to ensure that capital losses are avoided, whether they be from securities default or erosion of market value.
2. **Legality** - Each transaction and the entire portfolio must comply with the California Government Code and the Board's investment policy as defined herein.
3. **Liquidity** - The investment portfolio should remain sufficiently flexible to enable the district to meet all operating requirements which may be reasonably anticipated in any fund.
4. **Maximum Rate of Return** - The investment portfolio should be designed to attain a market average rate of return through budgetary and economic cycles, consistent with the risk limitations, prudent investment principles, and cash flow characteristics identified herein.
5. **Public Trust** - 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.

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**Date Adopted:** April 1, 2014

*(This new policy replaces the current CLPCCD Policy 3516)*