

INVESTMENT AND CASH MANAGEMENT POLICY REVISION

Summary: The current Investment and Cash Management Policy was approved by the Board of Trustees on December 10, 1999. The NIU Investment Committee has since pursued investment strategies in accordance with this policy.

The allowable investments per university policy mirror those specified in State statute. In general terms, these investments include instruments issued by the U.S. Government, federal agencies, high grade commercial paper, bank deposits, investment pools created under the State Treasurer's Act and selected money market mutual funds.

The NIU Investment Committee monitors compliance with the investment policy and periodically reviews related investment reports. The committee submits a report on investments to the Board of Trustees on a quarterly basis. In accordance with the Regulations of the Board of Trustees, funds may be invested in any investment permitted by the laws of the State of Illinois for the investment of public funds unless otherwise restricted by a bond or other legal covenant. A statement of investment policy shall be filed annually with the report on depositories to the Board of Trustees.

In reviewing the university annual financial statements, the Investment Committee has updated the University Investment and Cash Management Policy consistent with Standard No. 40 of the Governmental Accounting Standards Board to include Deposit and Investment Risk Disclosures which address the safety of principal in managing market changes, in minimizing interest rate risk, in mitigating credit risk, and in managing concentration of credit risk, in safeguarding custodial credit risk and in controlling foreign currency risk.

Recommendation: The university requests Board of Trustees approval of these revisions to the Investment and Cash Management Policy.