

AGENDA ITEM 10.f

Investing a Percentage of the Fund Balance

RECOMMENDED DIRECTIVE: The board approves ...

DISCUSSION: In May 2011, during the board’s reflection, Mr. Roland presented investment options for the college’s reserve funds. At its meeting, the board reaffirmed its desire to more aggressively invest reserve funds to achieve a higher rate of return per the appropriate risk tolerance level of the investment program and directed the college to work with Mr. Roland to determine the best investment options for the Board’s consideration at the next meeting.

At the September 2011 meeting, the comptroller went over four scenarios for investing our cash reserves. The analysis included the expected return, best case return, worst case return and probability of negative return for the various scenarios. The Board reviewed the source of the reserves and purpose for the reserves, however because selection of a scenario would depend on what and when the money would be needed, the board deferred action on investing idle cash until a strategic plan provides direction for use of the funds.

With a strategic plan in place, the board is ready to discuss the issue again.

ACTION TAKEN:

- _____ Approved as presented
- _____ Approved w/ modifications
- _____ Disapproved
- _____ Deferred to a later meeting

VOTE:

_____aye _____nay _____abstain

DATE: _____