

Idaho State Board of Education
GOVERNING POLICIES AND PROCEDURES

SECTION: V. FINANCIAL AFFAIRS

Subsection: D. Fiscal Officer, Banking, and Investments

February 2012

1. Bursars

Each institution and agency must have a fiscal officer, titled "bursar," designated by the Board. The fiscal officer is primarily responsible for receipt and remittance of money and other evidence of indebtedness and for making reports on fiscal matters directly to the Board. The Board may, from time to time, fix additional duties for the fiscal officers and fix the amount of any performance bond. The financial vice president of each of the institutions of higher education serves as the fiscal officer and/or bursar of that institution.

2. Deposits

Each institution and agency must deposit with the state treasurer all money and other evidence of indebtedness received for or on account of the state of Idaho (Section 59-1014, Idaho Code). The University of Idaho may deposit money and other evidence of indebtedness belonging to the University of Idaho in financial institutions approved by the Board of Regents (*Melgard v. Eagleson*, 31 Idaho 411 (1918)). Deposits with the state treasurer must be made daily when the amount is \$200 or more or weekly when the amount is less than \$200 in any 24-hour period. The depositor must take in exchange a receipt from the state treasurer (Section 59-1014, Idaho Code). The University of Idaho will make deposits at the intervals provided above. By resolution, the State Board of Examiners may authorize an institution or agency to make deposits with the state treasurer less frequently, but in no event less than once a month (Section 67-2025, Idaho Code). Prior approval by the Board is required if any financial institution other than the state treasurer is to receive deposits.

3. Treasurer for Non-State Monies

The Board may authorize the fiscal officer or other employee of any institution to act as treasurer for any organization or association of students or faculty at the institution and to collect, receive, deposit, and disburse money and other evidence of indebtedness on its behalf. (Section 67-2025, Idaho Code)

4. Local Depositories

Pending payment of money or other evidence of indebtedness to the state treasurer or to the person otherwise entitled to receive the same, an institution or agency may deposit the same in a suitable bank or trust company in the state of Idaho, subject to the provisions of the public depository law, whether the money is owned by the state of Idaho or otherwise.

5. Security of Funds

Any employee of any institution or agency under the governance of the Board having money or other evidence of indebtedness in his or her physical custody or administrative control must at all times see that it is safe and secure from loss or

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theft. A cash receipt should be generated and a reasonable effort made for immediate deposit of the funds with the state treasurer or a suitable financial institution.

6. Misappropriation a Felony

Any employee of an institution or agency under the governance of the Board charged with receipt, safe-keeping, transfer, or disbursement of money or other evidence of indebtedness who willingly and wrongfully uses or keeps the same may be guilty of a felony under Sections 18-5701 and 18-5702, Idaho Code. (See also Section 59-1014, Idaho Code.)

7. Investments

a. Investment Objectives:

Each institution investing funds shall maintain a written investment policy in accordance with the following objectives, in priority:

- i. Preservation of capital
- ii. Maintenance of liquidity
- iii. Achieve a fair rate of return

b. Each institution's investment policy shall include provisions designed to comply with the Board's Investment policy by establishing guidelines for:

- i. Specific investment and overall portfolio maturity
- ii. Ratings and ratings downgrades
- iii. Concentration limits
- iv. Periodic portfolio reviews
- v. Other standards consistent with the standard of conduct in managing and investing institutional funds under the Uniform Prudent Management of Institutional Funds Act (Section 33-5003, Idaho Code)

c. General Account funds may not be invested by the Board or any institution or agency under its governance.

d. Permanent Endowment funds are invested by the Permanent Endowment Fund Investment Board.

e. Other funds within the control of an institution may be invested in the following vehicles without prior Board approval:

- i. FDIC passbook savings accounts
- ii. certificates of deposit
- iii. U.S. Government securities

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- iv. federal funds repurchase agreements
 - v. reverse repurchase agreements
 - vi. federal agency securities
 - vii. large money market funds
 - viii. bankers acceptances
 - ix. corporate bonds of A grade or better
 - x. mortgage-backed securities of A grade or better
 - xi. commercial paper of prime or equivalent grade
 - xii. For the state of Idaho:
 - 1) general obligations or revenue bonds or other obligations for which the faith and credit of the state are pledged for the payment of principal and interest
 - 2) general obligations or revenue bonds of any county, city, metropolitan water district, municipal utility district, school district or other taxing district
 - 3) bonds, notes or other similar obligations issued by public corporations of the state of Idaho including, but not limited to, the Idaho state building authority, the Idaho housing authority and the Idaho water resource board
 - 4) tax anticipation notes and registered warrants
 - 5) tax anticipation bonds or notes and income and revenue anticipation bonds or notes of taxing districts
 - 6) revenue bonds of institutions of higher education
 - xiv. State of Idaho run investment funds for state agencies and other governmental entities.
- f. All investments must meet the ratings criteria (if applicable) in Section 7(e) at the time of acquisition.
- g. Authority to make investments in any other form requires prior Board approval. Such Board approval may be in the form of general authority to invest or reinvest cash, securities, and other assets obtained and becoming a part of foundation trusts such as the Consolidated Investment Trust of the University of Idaho. An annual report on the Consolidated Investment Trust shall be submitted to the Board upon request.