

# ***Policies and Procedures***

<b>SECTION:</b> <b>Financial</b>	<b>NO.</b> <b>3.1.20.</b>		
<b>CHAPTER:</b> <b>General</b>	<b>ISSUED:</b> 3/27/13	<i>REV. A</i>	<i>REV. B</i>
<b>POLICY:</b> <b>Short-Term Investment Policy</b>	<b>PAGE 1 OF 2</b>		

## **PURPOSE**

The purpose of this Policy is to establish guidelines for investment of Creighton University's (the "University") excess operating and special purpose cash balances.

In addition to this Investment Policy, the University may be subject to additional limitations and restrictions set forth in loan and credit agreement arrangements.

## **SCOPE**

This policy will apply to cash balances generated by the University's operating activities and to special purpose accounts such as funds held for University loans to students, debt service reserve accounts required by the University's loan agreements or donor contributions for specified construction projects. Except for cash in certain legally restricted and special accounts, the University will consolidate cash balances to optimize liquidity management and investment earnings and to increase efficiencies with regard to investment pricing, custody/trust and administration.

All investment activity related to the University's endowment and long-term investment pool will be governed by the Investment Policy Statement and therefore is not subject to this policy.

## **OBJECTIVE**

To generate a positive return on the University's excess cash balances while maintaining adequate liquidity to meet working capital needs and to reduce outstanding debt.

## **DELEGATION OF AUTHORITY**

Subject to the restriction set forth in Restricted Investments, the Board of Trustees of the University hereby delegates to the Vice President for Finance the responsibility for managing the University's cash and for making investments in and taking redemptions from money market accounts or other cash equivalent instruments as described in Permitted Investments. The Vice President for Finance may delegate responsibility for these investment decisions and transactions to other employees of the University as appropriate.

## **ADMINISTRATION AND CONTROL**

It shall be the responsibility of the Vice President for Finance or his or her designee to establish reasonable controls and procedures to assure: (i) compliance with this Policy; (ii) the appropriate execution of investment transactions; (iii) frequent monitoring of investment positions; and (iv) the proper accounting of investment activity. The Vice President for Finance or designee shall make investment decisions as allowed by this Policy, including the investment instrument, amount and maturity, to meet the objective as established from time to time.

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### **PERMITTED INVESTMENTS** (subject to the limitations set forth in Appendix A).

- i. Securities issued or directly and fully guaranteed or insured by the United States or any agency or instrumentality thereof (provided that the full faith and credit of the United States is pledged in support thereof) having maturities of not more than one year from the date of acquisition;
- ii. Marketable direct obligations issued by the District of Columbia or any state of the United States or any political subdivision of the District of Columbia or any such state or any public instrumentality thereof maturing within one year from the date of acquisition thereof and, at the time of acquisition, having one of the two highest ratings obtainable from either S&P or Moody's;
- iii. Dollar denominated time deposits and certificates of deposit of any commercial bank having, or which is the principal banking subsidiary of a bank holding company having a long-term unsecured debt rating of at least "A" or the equivalent thereof from S&P or "A2" or the equivalent thereof from Moody's with maturities of not more than one year from the date of acquisition;
- iv. Repurchase obligations with a term of not more than 30 days for underlying securities of the types described in item (i) above entered into with any bank meeting the qualifications specified in item (iii) above;
- v. Commercial paper and variable or fixed rate notes issued by any entity incorporated in the United States rated at least A-1 or the equivalent thereof by S&P or at least P-1 or the equivalent thereof by Moody's, and in each case maturing not more than one year after the date of acquisition;
- vi. Investments in money market funds (highly liquid mutual funds that invest in short-term securities and seek to maintain a stable net asset value of \$1 per share) rated at least AA by Standard & Poors or at least A2 by Moody's and substantially all of whose assets are comprised of securities of the types described in clauses (i) through (v) above; and
- vii. Certificates of deposit issued by, bank deposits in, Eurodollar deposits through, bankers' acceptances of, and repurchase agreements covering government securities executed by, any bank incorporated under the laws of the United States of America or any State thereof and having on the date of such investment combined capital, surplus and undivided profits of at least one hundred fifty million dollars, or total assets of at least one billion dollars, in each case due within one year after the date of the making of the investment.

### **RESTRICTED INVESTMENTS**

Unless specifically approved in advance by the Board of Trustees of the University, the purchase or acquisition of any equity or debt securities (including derivatives) or non-marketable investments (such as partnerships, joint ventures, private entities) not described under Permitted Investments is prohibited.

**APPENDIX A**  
**Investment Limits**

<b><u>Instrument</u></b>	<b><u>Each Issuer</u></b>	<b><u>Aggregate Portfolio</u></b>
Overnight Sweep (e.g., Eurodollar account)	Unlimited	Unlimited
US Govt./Agency Securities	\$10,000,000	Unlimited
Money Market Funds	\$10,000,000	Unlimited
Municipal Securities	\$10,000,000	\$50,000,000
Time Deposits/CDs	\$1,500,000	\$10,000,000
Commercial Paper/Notes	\$10,000,000	\$50,000,000
Repurchase Obligations	\$5,000,000	\$10,000,000