

I. NAME

This document shall be called the Investment Policy.

II. PURPOSE

The purpose of this policy is to delegate authority and responsibility and to provide guidelines related to the investments of the University Student Union.

III. DATE OF EFFECTIVENESS

This policy shall be effective upon approval by a 2/3 vote of the Student Union Board of Directors (BOD).

IV. AMENDMENTS

This policy may be amended by a 2/3 majority vote of the Student Union Board of Directors (BOD).

V. DELEGATION OF AUTHORITY AND RESPONSIBILITY

In the management of the organization investments, personnel having authority to commit the Student Union is the Student Union Director with appropriate consultation with the Student Union Board of Directors.

Investments not specified below require approval of the Student Union Board of Directors.

VI. GENERAL GUIDELINES

In conformity with the Manual of Policies and Procedures for Auxiliary Organizations of The California State University, Section 15.7, the Student Union may use the following range of investment vehicles: qualified banks, qualified savings and loan associations, the centralized State Treasury system, or in other ways specified in Education Code Section 89301.

In its investment decisions, the Student Union Board of Directors should follow the general standard of care required by the "prudent person rule" included in the California Corporations Code. This rule requires that duties be performed in good faith, in a manner believed to be in the best interests of the corporation, and with the same care and reasonable inquiry that an ordinary person of discretion and intelligence would exercise.

All investments shall be made in a manner that ensures sufficient funds to meet daily operational cash-flow requirements and any Student Union approved cash reserves held for future projects.

All investment activity and rates of return will be reported at least quarterly to the Student Union Board of Directors.

VII. LIMITATIONS AND RESTRICTIONS

Investment of Activity Fee funds must be approved by the University's Chief Fiscal Officer. In compliance with Education Code of the State of California, all Activity Fee funds must be invested within the State of California.

The University's chief fiscal officer must approve investment of Student Union funds.

All trust funds must be invested in accordance with the related trust agreement.

Certificates of deposit are not to exceed the FDIC limit of \$100,000 per institution.

The following types of transactions are considered to be speculative and are therefore prohibited: selling short, margin trades, commodity futures.

All investments must adhere to the overall goals and mission of the Student Union and to the provisions and limitations of the Education Code and Government Code of the State of California.

Approved BOD: 12/5/01