

ASU System Policy

Effective Date: May 15, 2009

Subject: Investment Collateralization

1. Purpose

Investments made by Arkansas State University, excluding those funds donated for endowment purposes, should be secure with no risk of loss.

2. Arkansas State University System Investment Collateralization Policy

All investments made by Arkansas State University must be fully collateralized with such collateral being evidenced by a bonded, third-party custody receipt provided to the Arkansas State University campus making the investment. Collateral may be of three types including:

- A. United States government securities,
- B. securities of agencies of the United States, or
- C. general obligation bonds of cities, counties, or school districts of the state of Arkansas.

If collaterality is by bonds of cities, counties or school districts, a collaterality rate of 120% (one hundred twenty percent) of par value is required.

(Adopted by the Arkansas State University Board of Trustees on May 15, 2009, Resolution 09-25, supercedes the Collateralization of Investments Policy of December 20, 1986.)