1. **Purpose**

Investments and cash deposits 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 and cash deposits 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 pledges may include the following:

- A. United States government securities;
- B. securities of agencies of the United States;
- C. irrevocable letters of credit issued by a Federal Home Loan Bank; or
- D. eligible securities defined under A.C.A. §19-8-203.

(Adopted by the Arkansas State University Board of Trustees on December 6, 2019, Resolution 19-54; supersedes the Investment Collateralization Policy, December 8, 2016, Resolution 16-51 and May 15, 2009, Resolution 09-25; which superseded the Collateralization of Investments Policy of December 20, 1986.)