

ASU System Policy

Effective Date: December 6, 2019

Subject: Investment and Cash Deposits Collateralization

Category: Investments & Foundations 1.20

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the Investment Collateralization Policy, December 8, 2016, Resolution 16-51 and May 15, 2009, Resolution 09-25; which superseded the Collateralization of Investments Policy of December 20, 1986.)