

## **Policy on Signature Requirements, Purchase of Securities and Wire Transfers**

### **PURPOSE**

The purpose of this policy is to establish requirements for authorization and signing of College checks, guidelines for the purchase of securities and wire transfers. This ensures compliance with N.J.S.A. 40A:5-14 - Adoption of cash management plan.

### **SCOPE**

This policy applies to all College bank accounts, checks, securities purchases, and wire transfers conducted for College financial operations.

1. Signature requirements for College accounts
  - a. Checks drawn on College accounts listed below (i., ii., iii.) in amounts less than the public bidding threshold established under N.J.S.A. 18A:64A-25-3; shall require the signature or facsimile signature of either the President or Executive Vice President for Business & Finance
  - b. Checks drawn on the College accounts listed below in amounts in excess of the threshold established under N.J.S.A. 18A:64A-25-3 shall require the signature or facsimile signature of any two of either the President, Executive Vice President for Business & Finance or Assistant Vice President for Business & Finance.
    - i. Payroll
    - ii. Current General
    - iii. Bookstore
2. Securities
  - a. The Executive Vice President for Business & Finance is authorized to purchase securities in accordance with N.J.S.A. 40A:5-14 and to initiate wire transfers of College funds for cash management and maximizing interest income.
  - b. Investments must be made with judgment and care, under circumstances then prevailing, which persons of prudence, discretion, and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the probable safety of their capital as well as the probable income derived.
  - c. In accordance with N.J.S.A. 18A:20-37, investments shall be made with the reasonable expectation that they can be held to maturity, not to exceed 397 days. Securities may be redeemed or sold prior to maturity to meet additional liquidity needs, to enhance the yield of the portfolio, to restructure the portfolio, or to realize any capital gains.
  - d. Individuals involved in the investment process shall refrain from personal business activity that could conflict with proper execution of the investment program, or which could impair their ability to make impartial investment decisions.
  - e. The Executive Vice President for Business & Finance shall routinely monitor the contents of the College's investment portfolio, the list of depository institutions currently being utilized, and the available markets.

- f. A detailed report of all investments, which includes a description of each security, cost, par value, rate of return, along with the settlement and maturity dates, shall be submitted to the Board of Trustees on a monthly basis.