

INVESTMENT OF FUNDS IN ENTERPRISE INVESTMENT FUND

Temporary surplus funds available for investment, if any, shall be invested or deposited only in accounts that are insured through an agency of the United States Government; to wit: (1) the "National Credit Union Administration" (NCUA); (2) the "Federal Deposit Insurance Corporation" (FDIC); or (3) the "Federal Savings and Loan Insurance Corporation" (FSLIC); and further,

1. Investments/deposits in any one account are limited to a maximum of one hundred thousand dollars United States currency (\$100,000.00) due to the maximum insured value by any one of the three above named agencies.
2. Investment earnings may be reinvested (or left in the account) so long as the total net investment does not exceed the stated limit.
3. Prior to investment in long term accounts, a primary investment account will be established for the express purpose of providing the means to:
 - a) provide liquidity and flexibility to allow withdrawal of funds as may be necessary;
 - b) maintain availability of funds at no early withdrawal penalty;
 - c) transfer funds between the savings and checking as may be necessary for the amount of withdrawal (line 2) and/or costs of maintaining the accounts;
 - d) accumulate dividends/earnings from other investments that are at maximum deposit (\$100,000.00);
 - e) deposit small surplus fund amounts until sufficient for major future investment opportunity;
 - f) earn the maximum dividend (based on size of deposit).
4. Investments shall be made on the basis of at least three verbal rate quotations on initial deposit amounts of \$25,000.00 or more; in the case of tie, the deposit/investment will be decided by lot as a means of conducting business on a fair basis within the community (the Community College District).
5. Investment/earnings shall be reported no less frequently than on a semi-annual basis to the Governing Board; such reports are to show:

- a) name of institution or organization having the investment;
- b) the amount invested/deposited initially plus additions/ withdrawals (transfers in/out);
- c) earnings/dividends for the quarter ended (provided the type investment calls for distribution of earnings on a monthly or quarterly basis) and the rate of return*;
- d) expenses of operating the investment fund, if any;
- e) total "enterprise investment fund" equity.

*As rate of return may be variable in some cases, this rate may be estimated for information only and may be presented as given by the investment firm; i.e. current rate, fixed rate, and/or annualized equivalent.

This policy is subject to revision according to federal and state laws governing political subdivisions of the State of California and no action shall knowingly be taken that may be contrary to existing regulations whether or not stated herein.