

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2009

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SENATE DRS55552-LE-295 (05/12)

Short Title: Community College Investment Flexibility.

(Public)

Sponsors: Senator Hartsell.

Referred to:

1 A BILL TO BE ENTITLED
2 AN ACT GRANTING COMMUNITY COLLEGES ADDITIONAL FLEXIBILITY WITH
3 REGARD TO INVESTMENTS.

4 The General Assembly of North Carolina enacts:

5 SECTION 1. G.S. 115D-58.6 reads as rewritten:

6 "§ 115D-58.6. Investment of idle cash.

7 (a) Definitions. – As used in this section:

8 (1) "Cash balance" means the amount equal to all moneys received into
9 institutional fund accounts minus all expenses and withdrawals from those
10 accounts in an official depository of the institution as designated by the local
11 board of trustees consistent with G.S. 115D-58.7.

12 (2) "Official depository" means one or more banks, savings and loan
13 associations, or trust companies in North Carolina that a community college
14 board of trustees has designated consistent with G.S. 115D-58.7.

15 (a1) Deposits. – The institution may deposit at interest ~~or invest~~ all or part of the cash
16 balance of any fund in an official depository of the institution. ~~The institution shall manage~~
17 ~~investments subject to whatever restrictions and directions the board of trustees may impose.~~
18 ~~The institution shall have the power to purchase, sell, and exchange securities on behalf of the~~
19 ~~board of trustees. The investment program shall be so managed that investments and deposits~~
20 ~~can be converted into cash when needed.~~ Moneys may be deposited at interest in any official
21 depository of the institution in the form of certificates of deposit or such other forms of time
22 deposits as may be approved for county governments. In addition, moneys may be deposited in
23 the form of certificates of deposit as provided for a local government or public authority in
24 G.S. 159-30(b1). Investment deposits shall be secured as provided in G.S. 159-31(b).

25 (b) ~~Moneys may be deposited at interest in any bank, savings and loan association or~~
26 ~~trust company in this State in the form of certificates of deposit or such other forms of time~~
27 ~~deposits as may be approved for county governments. In addition, moneys may be deposited in~~
28 ~~the form of certificates of deposit as provided for a local government or public authority in~~
29 ~~G.S. 159-30(b1). Investment deposits shall be secured as provided in G.S. 159-31(b).~~

30 (c) Investments. – The institution may invest all or part of the cash balance of any fund
31 in an official depository of the institution. The institution shall manage investments subject to
32 whatever restrictions and directions the board of trustees may impose. The institution shall have
33 the power to purchase, sell, and exchange securities on behalf of the board of trustees. The
34 investment program shall be so managed that investments and deposits can be converted into
35 cash when needed.



1 (1) Moneys ~~may~~ shall only be invested in the form of investments pursuant to
2 G.S. 159-30(c) to county governments ~~and no others~~ or in any form of
3 investment established or managed by an investment advisor who is
4 registered and in good standing with either the Securities and Exchange
5 Commission or the North Carolina Secretary of State, Securities Division,
6 and is a member of the Securities Investor Protection Corporation. Money in
7 endowment funds may be invested pursuant to G.S. 147-69.2. Provided,
8 however, the institution may elect to deposit at interest any local funds with
9 the State Treasurer for investment as special trust funds pursuant to the
10 provisions of G.S. 147-69.3, and the interest thereon shall accrue to the
11 institution as local funds.

12 (d) ~~Investment~~

13 (2) The investment securities listed in G.S. 159-30(c) may be bought, sold, and
14 traded by private negotiation, and the institutions may pay all incidental
15 costs thereof and all reasonable costs of administering the investment and
16 deposit program from local funds. The institution shall be responsible for
17 their safekeeping and for keeping accurate investment accounts and records.

18 (e) Interest earned on deposits and investments shall be credited to the fund whose cash
19 is deposited or invested. Cash of several funds may be combined for deposit or investment if
20 not otherwise prohibited by law; and when such joint deposits or investments are made, interest
21 earned shall be prorated and credited to the various funds on the basis of the amounts thereof
22 invested, figured according to an average periodic balance or some other sound accounting
23 principle. Interest earned on the deposit or investment of bond funds shall be deemed a part of
24 the bond proceeds.

25 (f) Registered securities acquired for investment may be released from registration and
26 transferred by signature of the official designated by the board of trustees."

27 **SECTION 2.** This act becomes effective July 1, 2010.