



Manual of Policy and Procedures

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CASH MANAGEMENT POLICY	404	1 of 2
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PURPOSE

The purpose of this policy is to manage cash balances in a manner that maximizes cash flow, maintains available cash balances consistent with cash needs and optimizes earnings on invested balances.

STATEMENT OF POLICIES

The following elements will be incorporated in the management of cash flow:

- 1) All cash will be managed for investment purposes by the Office of the Chancellor.
- 2) Interest basis commercial accounts will be maintained in local banks. The average account balance will be maintained at a figure high enough to compensate the banks for the services they provide, and no higher.
- 3) Depository accounts will be established in local banks in the name of Vermont State Colleges. These accounts will be drawn down periodically for investment authorized by the Office of the Chancellor. Funds will be aggregated so as to provide maximum returns consistent with the investment of public funds. Returned checks will be charged back against the interest accounts.
- 4) The VSC will invest all available funds to maximize earnings. All investment vehicles will be consistent with the VSC Cash Management Statement, published internally. The Chancellor or the Chancellor’s designee shall update the Cash Management Statement as needed.
- 5) Investment earnings on cash will be distributed based on each college’s relative share of unrestricted net assets plus GASB 45 charge plus restricted expendable net assets less quasi

endowments. These numbers will be calculated using the prior year's audited financial statements.

Signed by: Sophie Zdatny,
Chancellor

Date	Version	Revision	Approved By
04/19/12	1.0	Adopted	VSCS Board of Trustees
03/19/22	2.0	Minor corrections	VSCS Board of Trustees