

IC 1

Office of the Treasurer
January 23, 2008

Members, Investment Committee

APPROVAL OF OVERNIGHT AND SHORT-TERM INVESTMENT POLICY

Recommendation: that the Investment Committee approve the attached Overnight and Short-Term Investment Policy.

Background: On December 12, 1995, the Investment Committee approved the Statement of Objectives and Policies for short-term current funds investments for the University of Kentucky. Under the current policy, investments are limited to the Commonwealth of Kentucky's University pool, U.S. treasury and agency securities, repurchase agreements of U.S government obligations, and certificates of deposit collateralized by U.S. government obligations or general obligations of the University of Kentucky. Additionally, investments are limited to periods up to 24 months.

This action is recommended to allow the Office of the Treasurer to make direct investments in a broader range of securities or to invest in the fixed income investment pools managed by the Commonwealth of Kentucky Office of Financial Management, consistent with KRS 42.500(9) and Kentucky Administrative Regulations (200 KAR 14:011). Approval of this policy will enable the Office of the Treasurer to maximize returns on current funds, consistent with the primary objective to maintain a high degree of safety and liquidity.

Action Taken: Approved Disapproved Other _____