WEST VIRGINIA CODE: §13-3-7

§13-3-7. Permissible investments; limitations and prohibitions on purchase, sale or exchange of securities; public records; combining funds and proration of interest; custody of securities.

(a) Notwithstanding any provisions of this code to the contrary, the commission may invest funds under its control in the following classes of securities and not otherwise:

(1) Securities of the United States or any agency thereof which are guaranteed by or for which the full faith and credit of the United States is pledged for the payment of the principal and interest;

(2) General obligations of this state or any of its agencies, boards or commissions;

(3) General obligations of any county, municipality or school district in this state;

(4) Pools of investment operated by the West Virginia Board of Investments provided that their investments are limited to the above named securities, and provided that securities purchased for these pools following the date of the enactment of this article shall not have maturities greater than five years in length; and

(5) Repurchase agreements or similar banking arrangements with a member bank of banks of the federal reserve system or a bank, the deposits of which are insured by the federal deposit insurance corporation, or its successor: Provided, That such investments shall only be made to the extent insured by the federal deposit insurance corporation or to the extent that the principal amount thereof shall be fully collateralized by direct obligations of or obligations guaranteed by the United States of America.

(b) Securities purchased or held under the provisions of this article may be sold or exchanged for other securities: Provided, That: (1) No security shall be purchased, sold or exchanged without the concurrence or ratification of a majority of all members of the commission; (2) no security shall be purchased at a price above, nor sold or exchanged at a price below, its prevailing fair market value; (3) no security shall be purchased, sold or exchanged for the purpose of aiding any individual, firm or corporation by the payment of brokerage commissions or fees thereto; (4) no security purchased, sold or exchanged shall benefit any member or employee of the commission; and (5) no security shall be received in exchange which does not comply with the requirements of this article.

(c) The commission shall record all pertinent information related to any purchase, sale or exchange of securities and make such information available for public inspection during normal office hours of the commission.

(d) Funds from several or all accounts may be combined for investment and any interest

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earned shall be prorated and credited quarterly to the various contributing accounts on the basis of amount thereof invested, calculated according to an average periodic balance or other generally accepted accounting principle.

(e) All securities purchased by the commission as an investment for the funds shall remain in the custody of the state Board of Investments until the same are sold, exchanged, retired or mature and are paid.

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