

Ranger College Investment Policy

POLICY

Ranger College will invest public funds in a manner which will provide the highest investment return with the maximum security while meeting the daily cash flow demands of the entity and conforming to all state and local statutes governing the investments of public funds.

SCOPE

The investment policy applies to all financial assets of Ranger College. The funds are accounted for in Ranger College's Annual Financial Report and include the following funds:

- Operating Funds
- Endowment and Similar Funds
- Plant Funds

PRUDENCE

Investments will be made with judgment and care. Investments will be made considering the safety of capital as well as income, not for speculation. The standard of prudence to be used by investment officials will be the "prudent person" standard and will be applied in the context of managing an overall portfolio. The investment offices acting in accordance with the investment policy and exercising due diligence will be relieved of personal responsibility for an individual security's credit risk or market price changes, provided changes are reported in a timely manner and appropriate action is taken to control adverse developments.

OBJECTIVE

The safety of principal is the most important objective of the investment program. Ranger College's investment portfolio will remain sufficiently liquid to enable the college to meet all operating requirements which might be reasonably anticipated. The college's investment portfolio will be designed with the objective of attaining a rate of return to meet budgetary needs.

DELEGATION OF AUTHORITY

Management responsibility for the investment program is hereby delegated to the Investment Officer, the Vice President-Business Services/CFO, who will establish procedures for the investment program consistent with the investment policy and the Public Funds Investment Act. No person may engage in an investment transaction except as provided under terms of this policy.

ETHICS AND CONFLICTS OF INTEREST

Officers and employees involved in the investment process will not be involved in personal business activity that could conflict with proper execution of the investment program. Investment officials will disclose any material financial interests in financial institutions that conduct business with the college.

AUTHORIZED FINANCIAL DEALERS AND INSTITUTIONS

The investment officer will maintain a list of financial dealers and institutions authorized to provide investment services. All deposits will be made in a qualified public depository as established by state law. A current audited financial statement is required to be on file for each financial institution in which the college invests.

In accordance with Government Code 2256.005(k), a written copy of this investment policy shall be presented to any person seeking to sell to the college an authorized investment. The qualified representative of the business organization seeking to sell an authorized investment shall execute a Certification (see attached) that the registered principal has:

- a. received and reviewed the investment policy of the college; and
- b. acknowledged that the organization has implemented reasonable procedures and controls in an effort to preclude investment transactions conducted between the college and the organization that are not authorized by the college's investment policy, except to the extent that this authorization is dependent on an analysis of the make-up of the college's entire portfolio or requires an interpretation of subjective investment standards.

AUTHORIZED INVESTMENTS

Ranger College is empowered by statute to invest in the following:

- U. S. Government obligations
- State of Texas direct obligations
- Obligations of states, agencies, countries, cities
- Collateralized Mortgage Obligations (CMOs)
- Bankers Acceptance
- Commercial Paper
- Repurchase Agreements
- Certificates of Deposit
- Share Certificates
- SEC regulated no-load money market mutual funds
- SEC registered no-load mutual funds
- Investment Pools

To ensure accomplishment of the objectives and strategies of this policy, the investment officer of the College District is authorized to invest the various funds of the College District in legally authorized and adequately secured certificates of deposit, U.S. Treasury Bills and Notes with a maturity not to exceed 60 months, and/or an investment pool acting on behalf of two or more local governments, state agencies, or a combination of those entities. For excess cash sweep accounts, money market funds that include U.S. Treasuries, government agency securities, and repurchase agreements backed by government securities may be utilized.

COLLATERALIZATION

Collateralization will be required on certificates of deposit. The collateralization level will be a minimum of 100% of market value of principal and accrued interest. Collateral will always be held by an independent third party with whom the entity has a current custodial agreement. The right of collateral substitution is granted.

MATURITIES

Ranger College will attempt to match its investments with anticipated cash flow requirements. Unless matched to a specific cash flow, the college will not directly invest in securities maturing more than one year from the date of purchase.

Reserve funds may be invested in securities exceeding one year of maturity if such investments are made to coincide as nearly as practicable with the expected use of the funds.

INTERNAL CONTROL

The Investment Officer will establish an annual process of independent review by an external auditor. The review will provide internal control by assuring compliance with policies and procedures.

MARKET YIELD

The college's investment strategy is passive. With this strategy, the comparison used to determine if market yields are being achieved will be the one year U.S. Treasury Bill.

REPORTING

The Investment Officer will provide investment reports to the college president and Board of Regents quarterly. Reports will also be made to any state agencies or offices as mandated by state requirements.

INVESTMENT POLICY ADOPTION

The investment policy will be adopted by the Board of Regents on or before July 31 of each year by rule, order, ordinance, or resolution stating that it has reviewed the investment policy and investment strategies and that the written investment so adopted will record any changes made to either the investment policy or investment strategies.

INVESTMENT POLICY REAFFIRMATION

This Investment Policy was last reaffirmed by the Ranger College Board of Regents on June 3, 2019.

**RANGER COLLEGE
CERTIFICATION BY AUTHORIZED FINANCIAL DEALERS AND INSTITUTIONS**

In compliance with the Texas Government Code (Public Funds Investment Act) Sec. 2256.005(k)-(1), (“Broker”) acknowledges that the qualified representative conducting investment transactions for Ranger College (“RC”) has received and have reviewed the RC Investment Policy. Broker acknowledges that Broker has implemented reasonable procedures and controls in an effort to preclude investment transactions not authorized by the RC investment policy.

(Firm)

(Signature of Qualified Representative)

(Name)

(Title)

(Date)