

Galveston College Investment Policy

Investment Strategy Statement

OPERATING FUNDS AND COMMINGLED FUNDS CONTAINING OPERATING FUNDS

The primary objectives, in priority order, will be safety of principal, liquidity, and reasonable market yield. Funds will be invested in accordance with the investment policy. The authorized securities chosen or pool utilized for this portfolio are of the highest credit quality and marketability supporting the College District's objectives. Securities, when not matched to a specific liability, will be of a nature to provide adequate liquidity. The portfolio will be diversified to protect against market and credit risk in any one sector. Diversification requirements can be fully met through the use of an authorized investment pool.

The weighted average maturity on the pooled investment group will be no greater than 90 days. Because the funds are pooled for investment purposes, the portfolio will address the varying needs of all funds, recognizing liquidity needs.

DEBT SERVICE FUNDS

Investments for debt service funds will have a primary objective of ensuring investment liquidity that is adequate to cover the debt service obligation on the required payment date. Securities will be chosen with the highest priorities of safety and for their maturity dates and will not require the highest degree of diversification. Securities purchased will not have a stated final maturity date that exceeds the next debt service payment date and will be chosen secondarily with regard to yield and diversification.

DEBT SERVICE RESERVE FUNDS

Investments for debt service reserve funds will have as their primary objective the ability to generate a safe, dependable revenue stream to the appropriate debt service fund from securities with a low degree of volatility. Except as may be required by the bond ordinance specific to an individual issue, securities should be of high quality, with short- to intermediate-term maturities. Volatility will be further controlled through the purchase of securities carrying the highest coupon (net yield) available, within the desired maturity and quality range, without paying a premium, if at all possible. Such securities will tend to hold their value during economic cycles.

Developed: November 1997

Reviewed and Approved: February 21, 2018