College of the Mainland
PRESIDENT'S OFFICE

Investment Strategy

Assessment of Available Cash Balances for Investment

Operating cash balances are anticipated to remain at a level sufficient to provide for timely payment of expenditures while still earning interest income on the remaining balance. Budget projections for fiscal year 2015-2016 and 2016-2017 indicate surplus cash levels to be invested on a short-term basis, which in one year or less, should remain consistent with the cash flow from the prior year.

Strategy for all Funds

- Investments must be such that both principal and interest are available on a given date to provide for timely payment of expenditures.
- Investment maturities will be matched to cash flow requirements.
- Remaining cash balances in the College's bank accounts or "float" balance draw interest under the terms of the depository contract with respect to interest bearing checking accounts.
- If large and/or long-term cash surpluses exist, other acceptable investments will be pursued to maximize the College's interest earnings. However, preservation and safety of principal will be the priority.

Types of Investments

Currently, the College's surplus funds are invested in available interest bearing checking accounts of deposit of the College's depository bank, and in TexPool Investment service for public funds. But in the future, it is our intent to utilize any of the investment instruments that the Board of Trustees approved in Policy CAK (Local) and are listed below:

1. Obligations of, or guaranteed by, governmental entities as permitted by Government Code 256.009.
2. Certificates of deposit and share certificates as permitted by Government Code 2256.010.
3. Fully collateralized repurchase agreements permitted by Government Code 2256.011.
4. A securities lending program as permitted by Government Code 2256.015.
5. Banker's acceptances as permitted by Government Code 2256.012.
6. Commercial paper as permitted by Government Code 2256.013.
7. No-load money market mutual funds and no-load mutual funds as permitted by Government Code 2256.014.
8. A guaranteed investment contract as an investment vehicle for bond proceeds, provided it meets the criteria and eligibility requirements established by Government Code 2256.015.
9. Public fund investment pools as permitted by Government Code 2256.016.

Approved by the Board of Trustees on 12/2/2016