



COLLIN COUNTY

Auditor's Office
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To: County Judge and Commissioners Court
From: Jeff May, County Auditor
Date: November 5, 2018
Re: 2019 Investment Policy

Please find attached for your review and approval the following documents:

- **2019 Investment Policy Proposed**
- **2019 Investment Policy Markup Draft**

Please note the following changes to the content from prior year:

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Scope

❖ Deleted:

The Investment Committee shall determine if investments made with County funds, including those that become unacceptable under GC Chapter 2256 guidelines, be held or liquidated according to the financial well-being and best interest of the County.

Investment Strategies

❖ Addition:

"Pooled fund group" means an internally created fund of an investing entity in which one or more institutional accounts of the investing entity are invested. GC Section 2256.002(9).

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County Investment Officer's Responsibility and Controls

❖ Addition:

Persons designated by the Commissioners Court to be responsible for investments must demonstrate quality and capability of investment management.

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Training Requirements

- ❖ Re-worded:
All investment training sources must be approved by the Texas Association of Counties-County Investment Academy
- ❖ Deleted:
and independent of Commissioners Court
- ❖ Addition:
Investment training shall be paid out of the Non-Departmental budget for members of the Investment Committee, and one assistant County Auditor.

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Significant Investment Changes

- ❖ Changed:
From Notification of Investment Changes
To Significant Investment Changes
- ❖ Changed:
From Commissioners Court
To Investment Committee
- ❖ Addition:
The County is not required to liquidate investments that were authorized investments at the time of purchase according to GC Section 2256.017. However, Investment Officers shall take all prudent measures that are consistent with this investment policy to liquidate an investment that does not have the minimum rating GC Section 2256.021.

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Operating Pooled Investment Funds Group

- ❖ Addition:
The objective of the Operating Pooled Investment Funds Group is to maximize earnings on short term idle cash (needed to meet obligations in less than one year) while preserving the safety of the principal invested above all else.
- ❖ Addition:
The stated maturity

Operating Pooled Investment Funds Group

- ❖ Addition:
The stated maturity of any investment within the Non-Operating Pooled Funds Group may not exceed five years (60 months), with 48 months as the maximum dollar-weighted average maturity allowed, unless the investment type is a mortgage-backed security. Mortgage-Backed Securities are only authorized if stated final maturity date is less than or equal to 10 years.
- ❖ Addition:
Non-Operating Investments shall follow a laddering strategy of maturities while taking into account changing market conditions.

Capital Projects Pooled Investment Funds Group

- ❖ Re-worded to prevent grammatical error and confusion:
The objective of the Capital Projects Pooled Investment Funds Group is to maximize earnings on 1) idle cash (cash that is not needed in the short term); and 2) cash required to meet obligations to fund capital projects.
- ❖ Addition:
Above all else, the safety of the principal shall be maintained
- ❖ Addition:
The maturity of any investment by the Capital Projects Funds Group may not exceed (3) three years, with 24 months as the maximum dollar-weighted average maturity allowed.