

# HOWARD COUNTY INVESTMENT POLICY

**STATE OF TEXAS** §

**COUNTY OF HOWARD** §

**BE IT REMEMBERED AT A MEETING** of Commissioners Court of Howard County, Texas, held on the 8th day of June 2020, the following Order was adopted.

**WHEREAS**, the Commissioners Court of Howard County, Texas desires the establishment of prudent investment policies; and

**WHEREAS**, the Commissioners Court has reviewed the following investment policy and believes its enactment would be to the financial benefit of Howard County, Texas;

**NOW, THEREFORE**, it is hereby **ADJUDGED AND DECREED** that the Howard County Treasurer implement the following investment policy:

## **GENERAL STATEMENT**

This policy serves to satisfy the statutory requirements of Local Govt. Code 116.112 and Public Funds Investment Act (PFIA) Govt. Code Chapter 2256 to define and adopt a formal investment policy. This policy will be reviewed and adopted by the Howard County Commissioners' Court according to Govt. Code Section 2256.005(e).

## **OBJECTIVES AND PRIORITIES**

The investment objectives of the Howard County Treasurer shall be as follows:

To insure the safety of Howard County funds and to avoid speculative investing.

To provide funds to meet the cash needs of Howard County, Texas.

To earn the maximum interest rate allowed through prudent and legal investing of county funds consistent with the current Bank Depository Contract.

The most important priority shall be to provide for the safety of capital, securities, and collateral.

## **INVESTMENT METHODS**

The Howard County Treasurer shall use any or all of the following types of investments consistent with federal and state law and the current Bank Depository Contract:

- A. Obligations of the United States of America, its agencies and instrumentalities.
- B. Direct obligations of the State of Texas and agencies thereof.
- C. Other obligations, the principal of and interest on which are unconditionally guaranteed or insured by the State of Texas or the United States of America.
- D. Certificates of deposit of state and national banks doing business in Texas, guaranteed or insured by the Federal Deposit Insurance Corporation or its successor or secured by obligations described in (A) through (C) above, in market value no less than the principal of the certificates.
- E. Negotiable Order of Withdrawal (NOW) accounts.
- F. Eligible public funds investment pool to include investment in commercial paper.

The county shall require delivery of all securities or shall have these securities held in the county's name by an independent third party prior to payment being made by the county for the investment.

## **INVESTMENT COLLATERAL**

The Howard County Treasurer shall insure that invested county funds are fully collateralized consistent with federal and state law and the current Bank Depository Contract, without exception, in one or more of the following manners:

- 1. United States Government Bonds, Notes and Bills.
- 2. Securities of United States Agencies.
- 3. Federal Housing Authority Bonds
- 4. Farmer's Home Administration Notes.
- 5. Federal National Mortgage Association Bonds.

Such securities pledged as collateral shall be deposited in trust with the Federal Reserve Bank or an independent investment institution under an appropriate legal contract. The amount of securities so pledged shall be determined by their market value.

## **MATURTY AND DIVERSIFICATION**

The Treasurer of Howard County shall strive to retain enough liquidity in investments to cover the cash needs of the county. No investment maturities may exceed one year.

## **TRAINING**

Pursuant to Sec. 2256.008, Investment training; Local Governments

The treasurer, the chief financial officer if the treasurer is not the chief financial officer, and the investment officer of a local government shall:

- (1) Attend at least one training session from an independent source approved by the governing body of the local government or a designated investment committee advising the investment officer as provided for in the investment policy of the local government and containing at least 10 hours of instruction relating to the treasurer's or officer's responsibilities under this subchapter within 12 months after taking office or assuming duties; and
- (2) Attend an investment training session not less than once in a two year period that begins on the first day of that local government's fiscal year and consists of the two consecutive fiscal years after that date, and receive not less than 10 hours of instruction relating to investment responsibilities under this subchapter from an independent source approved by the governing body of the local government or a designated investment committee advising the investment officer as provided for in the investment policy of the local government.

## **LIABILITY**

The County Treasurer shall not be responsible for any loss of the county funds through the failure or negligence of any depository, nor any loss resulting from normal fluctuations in market value; but nothing in this statement shall release any County Treasurer for any loss resulting from any official misconduct or negligence on his/her part nor from any responsibility for the funds of the county until a depository shall be selected and the funds deposited therein, nor for any misappropriation of such funds by him/her.

**REPORTING**

It shall be the duty of the Treasurer of Howard County, Texas to notify the Commissioners Court of any changes in current investment methods and procedures prior to their implementation.

**ORDERED** this \_\_\_\_\_ day of \_\_\_\_\_, 2020.

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JUDGE KATHRYN WISEMAN

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COMMISSIONER OSCAR GARCIA  
Precinct No. 1

\_\_\_\_\_  
COMMISSIONER JIMMIE LONG  
Precinct No. 3

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COMMISSIONER CRAIG BAILEY  
Precinct No. 2

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COMMISSIONER JOHN CLINE  
Precinct No. 4

ATTESTED BY: \_\_\_\_\_  
Brent Zitterkopf, COUNTY CLERK