



BOARD POLICY

Nc 603

MENDOCINO - LAKE COMMUNITY COLLEGE DISTRICT

INVESTMENT POLICY

District officials responsible for the stewardship of District funds have fiduciary responsibility and are subject to prudent investor standards for all investment decisions.

It shall be the investment policy of the Mendocino-Lake Community College District to achieve an optimum rate of return on available assets not required for current operating needs. All District investments shall be consistent with State Law (Sections 53601 and 53601.1 of the California Government Code) and applicable sections of the Education Code.

1. The specific objectives for the investment of District assets are as follows:
 - Safety of Principal - The preservation and safeguarding of principal is the primary investment objective.
 - Liquidity - The investment portfolio should remain sufficiently flexible to meet cash requirements that may be reasonably anticipated.
 - Public Trust - District officials shall avoid any transactions that might impair public confidence in the District. Investments shall be made with precision and care, considering the probable safety of the capital as well as the probable income to be derived.
 - Rate of Return - The investment portfolio shall be designed to attain a rate of return at the market average or better through budgetary and economic cycles, consistent with the risk limitations, asset allocation, prudent investment principles, and cash flow characteristics identified herein.
2. Allowable Investments include:
 - A. County Treasurer;
 - Investment of funds maintained in the County Treasury shall be delegated to the County Treasury and invested following appropriate Government Code and investment policies adopted by the County Board of Supervisors.
 - In accordance with County procedures, District funds may be pooled with other local agencies and invested by the County Treasurer in accordance with Government Code, section 53601 and 53635.
 - B. Local Agency Investment Fund;
 - Funds deposited with the LAIF shall be invested by the State Treasurer in securities prescribed by Government Code, section 16430 and 16480.4.
 - C. Time Certificates of Deposit further limited to:
 - One hundred thousand dollars (\$100,000) per financial institution;
 - Financial institutions insured by the Federal Savings and Loan Insurance Corporation and/or the Federal Deposit Insurance Corporation;
 - Financial institutions licensed by the State of California and/or the Federal Government;
 - Financial institutions with offices located within the State of California;
 - D. Other high quality investments as allowed by State Law.

3. Investment in the following types of assets is prohibited:

- Speculative, non-hedging transactions involving stock options, futures, or similar investments
- Commodities
- Letter stock, private placements, or direct placements
- Intra-state stock offerings
- Real estate
- Closed-end investment trusts
- Purchase of securities on margin, or lending or borrowing money
- Short Sales, or substantially similar transactions
- Exotic derivatives that would materially change the duration, leverage or risk characteristics of the portfolio
- Investments with limited market liquidity.

Adopted: January 4, 1989

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