

**CHILDREN'S TRUST OF ALACHUA COUNTY
RESOLUTION 2021-18**

REVISIONS TO BOARD POLICY CHAPTER 4 - INVESTMENT MANAGEMENT

WHEREAS, the Children's Trust of Alachua County (CTAC) has established a Governance Committee to review the policies of the CTAC; and

WHEREAS, the CTAC delegated authority to manage CTAC's investment portfolio to the Alachua County Clerk of the Circuit Court; and

WHEREAS, the relationship between the Clerk's office and the CTAC will be ending on September 30, 2021; and

WHEREAS, the CTAC desires that the Executive Director or designee(s) assume responsibility for the investments of the CTAC;

NOW THEREFORE, be it ordained by the Board of the Children's Trust of Alachua County, in the State of Florida, that Chapter 4 of CTAC Board Policies, "Investment Management", be revised as follows:

SECTION 1:**AMENDMENT** "4.30 Investment Objectives" of the Children's Trust of Alachua County Board Policies is hereby *amended* as follows:

AMENDMENT

4.30 Investment Objectives

The following investment objectives will be applied in the management of the CTAC's funds which has been delegated to the ~~Alachua County Clerk of the Court ("Clerk")~~Executive Director.

- A. **Safety of Principal.** The primary objective of the ~~Clerk or the Clerk's~~Executive Director or designee's investment activities is the protection of CTAC's funds (preservation of capital). Investment transactions shall seek to keep capital losses to a minimum, whether they are from securities defaults or erosion of market value.
- B. **Maintenance of Liquidity.** The second highest priority is liquidity of funds. The ~~Clerk or the Clerk's~~Executive Director or designee's investment strategy will provide sufficient liquidity to meet the CTAC's reasonable anticipated cash flow requirements.
- C. **Return on Investment.** The third highest priority is income. The optimization of investment returns shall be secondary to the requirements for safety and liquidity. Return of investment is of least importance compared to the safety and liquidity objectives described above. However, return is attempted through active management where the Investment Advisor utilizes a total return strategy (which includes both

realized and unrealized gains and losses in the portfolio). This total return strategy seeks to increase the value of the portfolio through reinvestment of income and capital gains. The core of investments is limited to relatively low risk securities in anticipation of earning a fair return relative to the risk being assumed. Despite this, an Investment Advisor may trade to recognize a loss from time to time to achieve a perceived relative value based on its potential to enhance the total return of the portfolio.

- D. **Diversification.** The ~~Clerk or the Clerk's~~ Executive Director or designee's will seek to control risks and diversify investments regarding specific security types, maturities and financial institutions. Diversification is important to ensure that potential losses on individual securities do not exceed the income generated from the remainder of the portfolio.

SECTION 2: AMENDMENT “4.40 Performance Measurement” of the Children's Trust of Alachua County Board Policies is hereby *amended* as follows:

A M E N D M E N T

4.40 Performance Measurement

In order to assist in the evaluation of the portfolios’ performance, the ~~Clerk or the Clerk's~~ designee's Executive Director or designees will use performance benchmarks for short-term and long-term portfolios.

- A. The short-term investment portfolio shall be designed with the annual objective of exceeding the weighted average return (net book value rate of return) of the S&P Rated GIP Index Government 30-Day Gross of Fees Yield.
- B. The long-term investment portfolio shall be designed with the annual objective of exceeding the return of the Bank of America Merrill Lynch 1-3 Year U.S. Treasury/Agency Index compared to the portfolio’s total rate of return. The Bank of America Merrill Lynch 1-3 Year U.S. Treasury/Agency Index represents all U.S. Treasury and Agency securities maturing over one year, but less than three years. This maturity range is an appropriate benchmark based on the objectives of the Clerk.

SECTION 3: AMENDMENT “4.50 Prudence And Ethical Standards” of the Children's Trust of Alachua County Board Policies is hereby *amended* as follows:

A M E N D M E N T

4.50 Prudence And Ethical Standards

The "prudent person" standard shall be used by investment officials in management of the overall portfolio. The ~~Assistant Clerk/Finance~~ Executive Director, or persons performing the investment functions, acting as a "prudent person" in accordance with these written policies and procedures, and exercising due diligence, shall not be responsible for an individual security's credit risk or market price changes provided that appropriate monitoring efforts are performed. The "prudent person" standard is herewith understood to mean the following:

- A. Investments shall be made with judgment and care, under circumstances then prevailing, which persons of prudence, discretion and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the probable safety of their capital as well as the probable income to be derived from the investment.
- B. The ~~Clerk~~ Executive Director or staff involved in the investment process shall refrain from personal business activity that could conflict with proper execution of the investment program, or which could impair their ability to make impartial investment decisions. Also, employees involved in the investment process shall disclose to the ~~Clerk~~ Executive Director any material financial interests in financial institutions that conduct business with CTAC, and they shall further disclose any material personal financial/investment positions that could be related to the performance of the CTAC's investment program.
- C. While the standard of prudence to be used by investment officials who are officers or employees is the Prudent Person standard, any person or firm hired or retained to invest, monitor, or advise concerning these assets shall be held to the higher standard of "Prudent Expert". The standard shall be that in investing and reinvesting moneys and in acquiring, retaining, managing, and disposing of investments of these funds, the contractor shall exercise: the judgment, care, skill, prudence, and diligence under the circumstances then prevailing, which persons of prudence, discretion, and intelligence, acting in a like capacity and familiar with such matters would use in the conduct of an enterprise of like character and with like aims by diversifying the investments of the funds, so as to minimize the risk, considering the probable safety of their capital.

SECTION 4: AMENDMENT "4.60 Delegation Of Authority" of the Children's Trust of Alachua County Board Policies is hereby *amended* as follows:

A M E N D M E N T

4.60 Delegation Of Authority

Responsibility for the administration of the investment program is hereby delegated to the ~~Assistant Clerk/Finance~~ Executive Director, who shall establish investment procedures based on these policies. No person may engage in an investment transaction except as stated in the Internal Control Section of the policy. The ~~Assistant Clerk/Finance~~ Executive Director shall be responsible for the implementation of internal controls and monitoring the activities of subordinate staff.

In employing an Investment Advisor to manage the CTAC’s portfolio, such Investment Advisor or firm must be registered under the Investment Adviser’s Act of 1940.

SECTION 5: AMENDMENT “4.70 Authorized Investments” of the Children's Trust of Alachua County Board Policies is hereby *amended* as follows:

AMENDMENT

4.70 Authorized Investments

The ~~Clerk or his~~ Executive Director or designee shall purchase or sell investment securities at prevailing market rates. Investment in any derivative products or the use of reverse repurchase agreements is not permitted. A “derivative” is defined as a financial instrument the value of which depends on, or is derived from, the value of one or more underlying assets or indices or asset values.

The following are the investment requirements and allocation limits on security types, issuers, and maturities as established by the ~~Clerk~~ Executive Director. Diversification strategies within the established guidelines shall be reviewed and revised periodically as necessary by the ~~Clerk or the Clerk's designee~~ Executive Director or designee. The ~~Clerk or the Clerk's~~ Executive Director or designee, and/or Investment Advisor shall have the option to further restrict investment percentages from time to time based on market conditions, risk and diversification investment strategies. The percentage allocations requirements for investment types and issuers are calculated based on the original cost of each investment, at the time of purchase. Investments not listed in this Policy are prohibited.

A. Permitted Investments

Sector	Sector Maximum (%)	Per Issuer Maximum (%)	Minimum Ratings Requirement ¹	Maximum Maturity

)			
U.S. Treasury	100%	100%	N/A	5.50 Years (5.50 Years avg. life ⁴ for GNMA)
GNMA		40%		
Other U.S. Government Guaranteed (e.g. AID, GTC)		10%		
Federal Agency/GSE: FNMA, FHLMC, FHLB, FFCB*	75%	40% ³	N/A	5.50 Years
Federal Agency/GSE other than those above		10%		
Supranationals where U.S. is a shareholder and voting member	25%	10%	Highest ST or Highest LT Rating Categories (A-1/P-1, AAA/Aaa, or equivalent)	5.50 Years
Corporates	50% ²	5%	Highest ST or Three Highest LT Rating Categories (A-1/P-1, A-/A3 or equivalent)	5.50 Years
Municipals	25%	5%	Highest ST or Three Highest LT Rating Categories (SP-1/MIG 1, A-/A3, or equivalent)	5.50 Years
Agency Mortgage-Backed Securities (MBS)	25%	40% ³	N/A	5.50 Years Ave. Life ⁴
Asset-Backed Securities	25% ²	5%	Highest ST or LT Rating	5.50 Years Avg.

(ABS)			(A-1+/P-1, AAA/Aaa, or equivalent)	Life ⁴
Non-Negotiable Collateralized Bank Deposits or Savings Accounts	50%	None, if fully collateralized	None, if fully collateralized	2 Years
Commercial Paper (CP)	50% ²	5%	Highest ST Rating Category (A-1+/P-1, AAA/Aaa, or equivalent)	270 Days
Repurchase Agreements (Repo or RP)	40%	20%	Counterparty (or if the counterparty is not rated by an NRSRO, then the counterparty's parent) must be rated in the Highest ST Rating Category (A-1/P-1, or equivalent) If the counterparty is a Federal Reserve Bank, no rating is required	1 Year
Money Market Funds (MMFs)	50%	25%	Highest Fund Rating by all NRSROs who rate the fund (AAAm/AAAd, S1, or equivalent)	N/A
Florida Local Government Investment Trust	25%	N/A	Highest Fund Quality and Volatility Rating Categories by all NRSROs who rate the LGIP (AAAm/AAAf, S1, or equivalent)	N/A
Intergovernmental Pools (LGIPs)	75%	25%	Highest Fund Quality and Volatility Rating Categories by all NRSROs who rate the LGIP (AAAm/AAAf, S1, or equivalent)	N/A
Florida Local Government Surplus Funds Trust Funds ("Florida Prime")	100%	N/A	Highest Fund Rating by all NRSROs who rate the fund (AAAm/Aaa-mf, or equivalent)	N/A
Notes:				

¹ Rating by at least one SEC-registered Nationally Recognized Statistical Rating Organization ("NRSRO"), unless otherwise noted. ST= Short-term; LT= Long Term.

² Maximum allocation to all corporate, asset backed securities and bank credit instruments is 50% combined.

³ Maximum exposure to any one Federal agency, including the combined holdings of Agency debt and Agency MBS, is 40%.

⁴ The maturity limit for MBS and ABS is based on the expected average life at time of settlement, measured using Bloomberg or other industry standard methods.

* Federal National Mortgage Association (FNMA); Federal Home Loan Mortgage Corporation (FHLMC); Federal Home Loan Bank or its District banks (FHLB); Federal Farm Credit Bank (FFCB).

1. **U.S. Treasury & Government Guaranteed.** U.S. Treasury obligations, and obligations the principal and interest of which are backed or guaranteed by the full faith and credit of the U.S. Government.
2. **Federal Agency/GSE.** Debt obligations, participations or other instruments issued or fully guaranteed by any U.S. Federal agency, instrumentality or government-sponsored enterprise (GSE).
3. **Supranationals.** U.S. dollar denominated debt obligations of a multilateral organization of governments where U.S. is a shareholder and voting member.
4. **Corporates.** U.S. dollar denominated corporate notes, bonds or other debt obligations issued or guaranteed by a domestic corporation, financial institution, non-profit, or other entity.
5. **Municipals.** Obligations, including both taxable and tax-exempt, issued or guaranteed by any State, territory or possession of the United States, political subdivision, public corporation, authority, agency board, instrumentality or other unit of local government of any State or territory.
6. **Agency Mortgage Backed Securities.** Mortgage-backed securities (MBS), backed by residential, multi-family or commercial mortgages, that are issued or fully guaranteed as to principal and interest by a U.S. Federal agency or government sponsored enterprise, including but not limited to pass-throughs, collateralized mortgage obligations (CMOs) and REMICs.
7. **Asset-Backed Securities.** Asset-backed securities (ABS) whose underlying collateral consists of loans, leases or receivables, including but not limited to auto loans/leases, credit card receivables, student loans, equipment loans/leases, or home-equity loans.
8. **Non-Negotiable Certificate of Deposit and Savings Accounts.** Non-negotiable interest bearing time certificates of deposit, or savings accounts in banks organized under the laws of this state or in national banks organized under the laws of the United States and doing business in this state, provided

that any such deposits are secured by the Florida Security for Public Deposits Act, Chapter 280, Florida Statutes.

9. **Commercial Paper.** U.S. dollar denominated commercial paper issued or guaranteed by a domestic corporation, company, financial institution, trust or other entity, only unsecured debt permitted.
10. **Repurchase Agreements.** Repurchase agreements (Repo or RP) that meet the following requirements:
 - a. Must be governed by a written Securities Industry and Financial Markets Association (SIFMA) Master Repurchase Agreement which specifies securities eligible for purchase and resale, and which provides the unconditional right to liquidate the underlying securities should the Counterparty default or fail to provide full timely repayment.
 - b. Counterparty must be a Federal Reserve Bank, a Primary Dealer as designated by the Federal Reserve Bank of New York, or a nationally chartered commercial bank.
 - c. Securities underlying repurchase agreements must be delivered to a third party custodian under a written custodial agreement and may be of deliverable or tri-party form. Securities must be held in the Clerk's custodial account or in a separate account in the name of the Clerk.
 - d. Acceptable underlying securities include only securities that are direct obligations of, or that are fully guaranteed by, the United States or any agency of the United States, or U.S. Agency-backed mortgage related securities.
 - e. Underlying securities must have an aggregate current market value of at least 102% (or 100% if the counterparty is a Federal Reserve Bank) of the purchase price plus current accrued price differential at the close of each business day.
 - f. Final term of the agreement must be 1 year or less.
11. **Money Market Funds.** Shares in open-end and no-load money market mutual funds, provided such funds are registered under the Investment Company Act of 1940 and operate in accordance with Rule 2a-7.

A thorough investigation of any money market fund is required prior to investing, and on an annual basis. [Attachment B](#) is a questionnaire that contains a list of questions, to be answered prior to investing, that cover the major aspects of any investment pool/fund. A current prospectus must be obtained.

12. **Florida Local Government Investment Trust (FLGIT).** The Florida Local Government Investment Trust (FLGIT) is a local government investment pool (LGIP) developed through the joint efforts of the Florida Court Clerks and Comptrollers (FCCC) and the Florida Association of Counties (FAC). It is the longest running member-owned and member-governed local government investment pool in the state of Florida.

A thorough investigation of FLGIT is required prior to investing, and on an annual basis. [Attachment B](#) is a questionnaire that contains a list of questions, to be answered prior to investing, that cover the major aspects of any investment pool/fund. A current prospectus must be obtained.

13. **Local Government Investment Pools.** State, local government or privately-sponsored investment pools that are authorized pursuant to state law.

A thorough investigation of any intergovernmental investment pool is required prior to investing, and on an annual basis. [Attachment B](#) is a questionnaire that contains a list of questions, to be answered prior to investing, that cover the major aspects of any investment pool/fund. A current prospectus must be obtained.

14. **The Florida Local Government Surplus Funds Trust Funds (“Florida Prime”).** A thorough investigation of the Florida Prime is required prior to investing, and on an annual basis. [Attachment B](#) is a questionnaire that contains a list of questions, to be answered prior to investing, that cover the major aspects of any investment pool/fund. A current prospectus or portfolio report must be obtained.

B. General Investment and Portfolio Limits

1. General investment limitations:
 - a. Investments must be denominated in U.S. dollars and issued for legal sale in U.S. markets.
 - b. Minimum ratings are based on the highest rating by any one Nationally Recognized.
 - c. Statistical Ratings Organization (“NRSRO”), unless otherwise specified.
 - d. All limits and rating requirements apply at time of purchase.
 - e. Should a security fall below the minimum credit rating requirement for purchase, the Investment Advisor will notify the Assistant Clerk/Finance Director.
 - f. The maximum maturity (or average life for MBS/ABS) of any investment is 5.50 years. Maturity and average life are measured from settlement date. The final maturity date can be based on any mandatory call, put, pre-refunding date, or other mandatory redemption date.
2. General portfolio limitations:
 - a. The maximum effective duration of the aggregate portfolio is 3 years.
3. Investment in the following are permitted, provided they meet all other policy requirements:
 - a. Callable, step-up callable, called, pre-refunded, puttable and extendable securities, as long as the effective final maturity meets the maturity limits for the sector
 - b. Variable-rate and floating-rate securities
 - c. Subordinated, secured and covered debt, if it meets the ratings requirements for the sector

- d. Zero coupon issues and strips, excluding agency mortgage-backed Interest-only structures (I/Os)
 - e. Treasury TIPS
4. The following are NOT PERMITTED investments, unless specifically authorized by statute and with prior approval of the CTAC governing body:
- a. Trading for speculation
 - b. Derivatives (other than callables and traditional floating or variable-rate instruments)
 - c. Mortgage-backed interest-only structures (I/Os)
 - d. Inverse or leveraged floating-rate and variable-rate instruments
 - e. Currency, equity, index and event-linked notes (e.g. range notes), or other structures that could return less than par at maturity
 - f. Private placements and direct loans, except as may be legally permitted by Rule 144A or commercial paper issued under a 4(2) exemption from registration
 - g. Convertible, high yield, and non-U.S. dollar denominated debt
 - h. Short sales
 - i. Use of leverage
 - j. Futures and options
 - k. Mutual funds, other than fixed-income mutual funds and ETFs, and money market funds
 - l. Equities, commodities, currencies and hard assets

SECTION 6: AMENDMENT “4.80 Maturity And Liquidity Requirements”
of the Children's Trust of Alachua County Board Policies is hereby *amended* as follows:

AMENDMENT

4.80 Maturity And Liquidity Requirements

- A. To the extent possible, an attempt will be made to match investment maturities with known cash needs and anticipated cash flow requirements. Investments of current operating funds shall have maturities of no longer than thirty-six (36) months.
- B. Investments of construction funds, and other non-operating funds shall have a term appropriate to the need for funds, but in no event shall exceed five and one-half (5.50) years. The maturities of the underlying securities of a repurchase agreement will follow the requirements of the SIFMA Master Repurchase Agreement.
- C. ~~Clerk's~~CTAC's investment policy is to “buy and hold” but the maturity composition of the portfolio and the general economic conditions will be evaluated to determine if a replacement investment would be advantageous. Accounting losses may be incurred in this situation if an economic gain is achieved. The portfolio maturity may be shortened or extended dependent on interest rate projections or the portfolio quality may be improved by reducing the maturity or risk of security.

D. Investments do not necessarily have to be made for the same length of time that the funds are available. The basic criteria for consideration for investments are listed below:

1. Keep maturities short in a period of constantly rising interest rates based on treasury bill auctions or the daily Federal Funds rate and also keep maturities short in a period of an inverted treasury yield curve (short-term rates are higher than the long-term rates).
2. Maturities should be lengthened when the treasury yield curve is normal and is expected to remain that way based on economic reports taken as a whole. The yield curve is normal when short-term rates are lower than long-term rates.
3. Maturities should be lengthened when interest rates are expected to fall based on economic reports taken as a whole.
4. The yield curves of the market should be analyzed for significant breaks in yields over various maturity dates. The points at which the yield curve breaks are the points at which there are significant marginal declines in yields for incremental changes in the maturity dates. Investments should be made at these breaks in the yield curve so that yields will be maximized.

SECTION 7: AMENDMENT “4.90 Risk And Diversification” of the Children's Trust of Alachua County Board Policies is hereby *amended* as follows:

AMENDMENT

4.90 Risk And Diversification

Assets held shall be diversified to control the risk of loss resulting from over-concentration of assets in a specific maturity, issuer, instrument, dealer, or bank through which these instruments are bought and sold. Diversification strategies within the established guidelines shall be reviewed and revised periodically as necessary by the appropriate management staff and by the ~~Clerk~~Executive Director.

SECTION 8: AMENDMENT “4.100 Authorized Investment Institutions And Dealers” of the Children's Trust of Alachua County Board Policies is hereby *amended* as follows:

AMENDMENT

4.100 Authorized Investment Institutions And Dealers

- A. The ~~Clerk or the Clerk's Designee's~~Executive Director shall only purchase securities from financial institution which are qualified as public depositories by the Treasurer of

the State of Florida or primary dealers as designated by the Federal Reserve Bank of New York. Repurchase agreements shall only be entered into with primary dealers and financial institutions which are state qualified public depositories. The ~~Clerk or Clerk's~~Executive Director or designee will require the SIFMA Master Repurchase Agreement to be executed prior to any repurchase transactions.

- B. The ~~Clerk's~~Executive Director's Investment Advisor shall utilize and maintain its own list of approved primary and non-primary dealers.

SECTION 9: AMENDMENT “4.110 Third-Party Custodial Agreements” of the Children's Trust of Alachua County Board Policies is hereby *amended* as follows:

AMENDMENT

4.110 Third-Party Custodial Agreements

All securities, with the exception of certificates of deposits, shall be held with a third party custodian; and all securities purchased by CTAC should be properly designated as an asset of CTAC. The ~~Clerk or the Clerk's~~Executive Director or designee's will execute a Third-Party Custodial Safekeeping Agreement with a commercial bank or the commercial bank's trust department. A third party custodian is defined as any bank depository chartered by the Federal Government, the State of Florida, or any other state or territory of the United States which has a branch or principal place of business in the State of Florida as defined in § 658.12 Florida Statutes, or by a national association organized and existing under the laws of the United States which is authorized to accept and execute trusts and which is doing business in the State of Florida. Certificates of deposits maintained by book-entry at the issuing bank shall clearly identify the CTAC as the owner. All securities purchased and/or collateral obtained by Finance and Accounting shall be properly designated as an asset of CTAC and held in safekeeping by the custodian and no withdrawal of such securities, in whole or in part, shall be made from safekeeping except by an authorized Clerk staff member. The Third-Party Custodial Safekeeping Agreement shall include letters of authority from the ~~Clerk~~Executive Director or the ~~Clerk's~~Executive Director's Designee's, details as to responsibilities of each party, notification of security purchases, sales, delivery, repurchase agreements, wire transfers, safekeeping and transactions costs, procedures in case of wire failure or other unforeseen mishaps including liability of each party.

SECTION 10: AMENDMENT “4.120 Master Repurchase Agreement” of the Children's Trust of Alachua County Board Policies is hereby *amended* as follows:

AMENDMENT

4.120 Master Repurchase Agreement

The ~~Clerk~~Executive Director will require all approved institutions and dealers transacting repurchase agreements to execute and perform as stated in the SIFMA Master Repurchase Agreement. All repurchase agreement transactions will adhere to requirements of the SIFMA Master Repurchase Agreement.

SECTION 11: AMENDMENT “4.130 Bid Policy” of the Children's Trust of Alachua County Board Policies is hereby *amended* as follows:

AMENDMENT

4.130 Bid Policy

After the ~~Assistant Clerk/Finance~~Executive Director and/or Investment Advisor has determined the approximate maturity date based on cash flow needs and market conditions and has analyzed and selected one or more optimal types of investment, a minimum of three (3) banks and/or dealers must be contacted and asked to provide bids on the securities in question. Bids will be held in confidence until the highest bid is determined and awarded.

- A. On an exception basis, securities may be purchased utilizing the comparison to current market price method. Acceptable current market price providers include, but are not limited to:
 - 1. The Wall Street Journal or a comparable nationally recognized financial
 - 2. publication providing daily market pricing.
 - 3. Daily market pricing provided by the CTAC's custody agents.
- B. ~~The Finance and Accounting Department~~CTAC shall utilize the competitive bid process to select the securities to be purchased or sold. Selection by comparison to a current market price, as indicated above, shall only be utilized when, in the judgment of the ~~Assistant Clerk/Finance~~Executive Director, competitive bidding would inhibit the selection process. Examples of when this method may be used include:
 - 1. When time constraints due to unusual circumstances preclude the use of the competitive bidding process.
 - 2. When no active market exists for the issue being traded due to the age or depth of the issue.
 - 3. When a security is unique to a single dealer, for example, a private placement.
 - 4. When the transaction involved new issues or issues in the "when issued" market.
- C. If the maturing investment is a certificate of deposit, then of the contacts made, one shall be the present holder of the funds subject to the portfolio diversification requirements in this policy. Due to the cost of safekeeping, one business day repurchase agreements less than \$1,000,000 and overnight sweep repurchase agreements will not be bid, but may be placed with the depository bank relating to the demand account for which the repurchase agreement was purchased.
- D. Notwithstanding the above, in order to afford local banks within the County

opportunities to enhance the economics of the local area, an aggregate face value of up to \$1,000,000 in certificates of deposit may be purchased from a bank as described in Section 4.70 paragraph A,8. provided the following additional conditions have been satisfied:

1. The bank is located within the boundaries of Alachua County or has a branch office located within the boundaries of Alachua County.
2. The bank matches the highest bid of three or more bids from other banks as described in Section 4.140.

SECTION 12: **AMENDMENT** “4.140 Internal Controls” of the Children's Trust of Alachua County Board Policies is hereby *amended* as follows:

AMENDMENT

4.140 Internal Controls

The ~~Assistant Clerk/Finance~~ Executive Director shall establish and monitor a set of written internal controls designed to protect CTAC’s funds and ensure proper accounting and reporting of securities transactions. The internal controls should be designed to prevent losses of funds, which might arise from fraud, employee error, and misrepresentation by third parties, or imprudent actions by employees. No person may engage in an investment transaction except as authorized under the terms of this policy. Such internal controls shall include, but not be limited to, the following:

- A. All securities purchased or sold will be transferred only under the "delivery versus payment" (D.V.P.) method to ensure that funds or securities are not released until all criteria relating to the specific transaction are met.
- B. The ~~Assistant Clerk/Finance~~ Executive Director is authorized to accept, on behalf of and in the name of CTAC, bank trust receipts or confirmations as evidence of actual delivery of the obligations or securities in return for investments of funds.
- C. Trust receipts or confirmations shall fully describe the various obligations or securities held. The receipt or confirmation shall state that the investment is held in the name of CTAC.
- D. The actual obligations or securities, whether in book-entry or physical form, on which trust receipts or confirmations are issued may be held by a third-party custodial bank and/or institution or a designated correspondent bank which has a correspondent relationship to the Clerk's third-party custodian.
- E. Other internal controls such as:
 1. Written documentation of telephone transactions
 2. Adequate separation of duties
 3. Custodial safekeeping
 4. Supervisory control of employee actions and operations review
 5. Interim and annual performance evaluations and reporting.

F. All daily investment activity is coordinated by the Investment Accountant and reviewed by the ~~Clerk Accounting Manager~~ Executive Director, ~~as well as the Assistant Clerk/Finance Director. The Clerk Accounting Manager oversees day-to-day operations; however, the whole investment function is under direct control of the Assistant Clerk/Finance Director.~~

SECTION 13: AMENDMENT “4.160 Reporting” of the Children's Trust of Alachua County Board Policies is hereby *amended* as follows:

AMENDMENT

4.160 Reporting

A portfolio report shall be provided each month to the ~~Clerk~~ Executive Director and appropriate management staff. The report shall include a breakdown of the portfolio showing market and book values as well as its overall performance during that period. Annually, a recapitulation report will be presented to the CTAC Board.

SECTION 14: AMENDMENT “4.180 Policy Review And Amendment” of the Children's Trust of Alachua County Board Policies is hereby *amended* as follows:

AMENDMENT

4.180 Policy Review And Amendment

- A. The ~~Clerk and the Assistant Clerk/Finance~~ Executive Director shall review these policies in their entirety on an annual basis.
- B. ~~This policy may be amended in writing from time to time by the Clerk.~~

PASSED AND ADOPTED BY THE CHILDREN'S TRUST OF ALACHUA COUNTY
 BOARD this 27th day of September, 2021.

	AYE	NAY	ABSENT	NOT VOTING
Lee Pinkoson	<u>✓</u>	<u> </u>	<u> </u>	<u> </u>
Dr. Maggie Labarta	<u>✓</u>	<u> </u>	<u> </u>	<u> </u>
Tina Certain	<u> </u>	<u> </u>	<u> ✓ </u>	<u> </u>
Dr. Karen Cole-Smith	<u>✓</u>	<u> </u>	<u> </u>	<u> </u>
Ken Cornell	<u>✓</u>	<u> </u>	<u> </u>	<u> </u>
Dr. Nancy Hardt	<u>✓</u>	<u> </u>	<u> </u>	<u> </u>
Dr. Carlee Simon	<u>✓</u>	<u> </u>	<u> </u>	<u> </u>
Dr. Patricia Snyder	<u>✓</u>	<u> </u>	<u> </u>	<u> </u>
Cheryl Twombly	<u>✓</u>	<u> </u>	<u> </u>	<u> </u>
Susanne Wilson Bullard	<u>✓</u>	<u> </u>	<u> </u>	<u> </u>

Presiding Officer

Attest

 Lee Pinkoson, Chairman,
 Children's Trust of Alachua County

Tina Certain (Oct 1, 2021 14:49 EDT)
 Tina Certain, Treasurer,
 Children's Trust of Alachua County

Res_2021-18 Chapter 4 - Investment Management

Final Audit Report


2021-10-01

Created:	2021-10-01
By:	Ashley Morgan-Daniel (amd@childrenstrustofalachuacounty.us)
Status:	Signed
Transaction ID:	CBJCHBCAABAAqOrJx94moyazrVrrUyISx2ADwB-_7S0F

"Res_2021-18 Chapter 4 - Investment Management" History

 Document created by Ashley Morgan-Daniel (amd@childrenstrustofalachuacounty.us)


2021-10-01 - 4:02:06 PM GMT- IP address: 163.120.80.11

 Document emailed to Tina Certain (certain@gm.sbac.edu) for signature

2021-10-01 - 4:02:43 PM GMT

 Email viewed by Tina Certain (certain@gm.sbac.edu)

2021-10-01 - 6:49:26 PM GMT- IP address: 66.249.84.195

 Document e-signed by Tina Certain (certain@gm.sbac.edu)

Signature Date: 2021-10-01 - 6:49:41 PM GMT - Time Source: server- IP address: 98.186.192.161

 Agreement completed.

2021-10-01 - 6:49:41 PM GMT