

**UPSHUR COUNTY INVESTMENT POLICY RESOLUTION**

**STATE OF TEXAS**

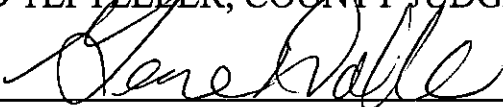
**COUNTY OF Upshur County**

**BE IT REMEMBERED AT A MEETING OF** Commissioners Court of Upshur County, Texas, held on the 15th day of December, 2023, on motion made by Michael Ashley, Commissioner of Precinct No. 3, and seconded by Jay Miller, Commissioner of Precinct No. 4, the following Investment Policy was reviewed.

**ORDERED** this 15 day of December, 2023

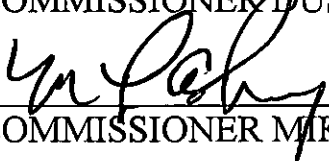


TODD TEFTELLER, COUNTY JUDGE



COMMISSIONER GENE DOLLE, PRECINCT # 1

COMMISSIONER DUSTIN NICHOLSON, PRECINCT # 2

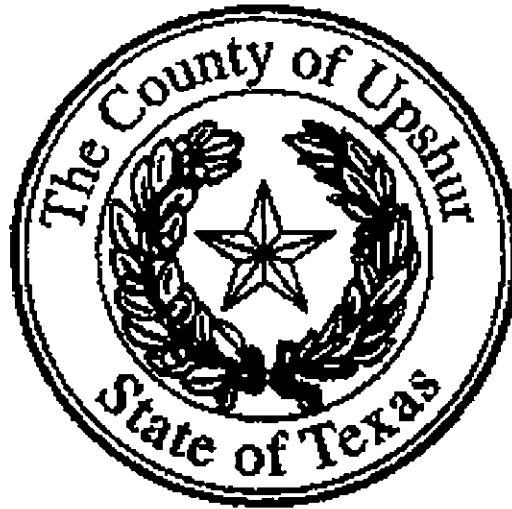


COMMISSIONER MIKE ASHLEY, PRECINCT # 3



COMMISSIONER JAY W. MILLER, PRECINCT # 4

# **Upshur County, Texas**



## **INVESTMENT POLICY AND PROCEDURES 2022-2023**

**TODD TEFTELLER**  
County Judge

**GENE DOLLE**  
Commissioner, Precinct #1

**DUSTIN NICHOLSON**  
Commissioner, Precinct #2

**MIKE ASHLEY**  
Commissioner, Precinct #3

**JAY W. MILLER**  
Commissioner, Precinct #4

# UPSHUR COUNTY INVESTMENT POLICY

## TABLE OF CONTENTS

### I. INVESTMENT AUTHORITY AND SCOPE OF POLICY

- (A) General Statement
- (B) Funds Included
- (C) County's Investment Officer

### II. INVESTMENT OBJECTIVES AND PRIORITIES

- (A) General Statement
- (B) Safety of Principal
- (C) Diversification
- (D) Rate of Return (Yield)
- (E) Maturity
- (F) Quality and Capability of Investment Management

### III. INVESTMENT STRATEGY

- (A) Investment Scope (Legal Authority to Invest)
- (B) Investment Instruments
- (C) Bank Investments
- (D) Direct Investments
- (E) Public Fund Investment Pools

### IV. INVESTMENT RESPONSIBILITY AND CONTROL

- (A) Monitoring Market Value
- (B) Delegation of Investment Authority
- (C) Prudence and Ethical Standards
- (D) Liability of Investment Officer
- (E) Accounting and Audit Control
- (F) Subject to Audit

### V. INVESTMENT REPORTING

- (A) Monthly reporting
- (B) Quarterly Reporting

### VI. INVESTMENT INSTITUTIONS

- (A) Depository Bank
- (B) Broker/Dealer/Pool (s)
- (C) Pool (s)

### VII. INVESTMENT PROCEDURES

- (A) Confirmation of Trade
- (B) Delivery versus Payment
- (C) Safekeeping Institution
- (D) Collateral or Insurance
- (E) Safekeeping
- (F) Collateral Reporting

## UPSHUR COUNTY INVESTMENT POLICY

### I. INVESTMENT AUTHORITY AND SCOPE OF POLICY

#### GENERAL STATEMENT

This policy serves to satisfy the statutory requirements of Local Government Code 116.112 and Government Code Chapter 2256 to define and adopt a formal investment policy. This policy will be reviewed and adopted by resolution at least annually according to Section 2256.005 (e).

#### FUNDS INCLUDED

This investment policy applies to all financial assets of all funds of Upshur County, Texas, at the present time and any funds to be created in the future and any other funds held in custody by the County Treasurer, unless expressly prohibited by law or unless it is a violation of any depository contract between Upshur County and any depository bank.

#### COUNTY'S INVESTMENT OFFICER

In accordance with Sec. 116.112 (a), Local Government Code and/or Chapter 2256, sec. 2256.005 (f) and (g), the County Treasurer, under the direction of the Commissioners' Court, may invest County funds that are not immediately required to pay obligations of the County. The Commissioners' Court shall designate, by resolution, one or more officers or employees as investment officer(s).

If the investment officer(s) has a personal business relationship with an entity, or is related within the second degree by affinity or consanguinity to an individual seeking to sell an investment to the County, the Investment Officer must file a statement disclosing that personal business interest or relationship, with the Texas Ethics Commission and the Commissioners' Court in accordance with Government Code 2256.005(i).

### II. INVESTMENT OBJECTIVES AND PRIORITIES

#### GENERAL STATEMENT

Funds of the County will be invested in accordance with Federal and State laws, this investment policy and written administrative procedures. The County will invest according to investment strategies for all funds as they are adopted by Commissioners' Court resolution in accordance with Sec.2256.005 (d).

#### SAFETY OF PRINCIPAL

Upshur County is concerned about the return of its principal, therefore, safety of principal is the primary objective in any investment transaction. The secondary objective is to strive to maintain adequate liquidity through scheduled maturities of investments, to cover the cash needs of the County consistent with the objectives of this policy.

## DIVERSIFICATION

It will be the policy of Upshur County to diversify its portfolio to eliminate the risk of loss resulting from over concentration of assets in specific maturity, a specific issuer or a specific class of investments. Investments of the County shall always be selected that provide for stability of income and reasonable liquidity.

## RATE OF RETURN

It will be the objective of Upshur County to earn the maximum rate of return allowed on investments within the policies imposed by safety and liquidity objectives, investment strategies and for each fund, and State and Federal Laws governing investment of public funds.

## MATURITY

Portfolio maturities will be structured to meet the obligations of the County first and secondly, to achieve a competitive return on interest. ALL INVESTMENTS SHALL HAVE A LEGAL STATED MATURITY OF TWENTY FIVE (25) MONTHS OR LESS.

## QUALITY AND CAPABILITY OF INVESTMENT MANAGEMENT

It is the County's policy to provide training required by the Public Funds Act, Sec. 2256.008 and periodic training in investments for the County Treasurer through courses and seminars offered by professional organizations and Associations in order to insure quality, capability and currency of the County Treasurer in making investment decisions.

## III. INVESTMENT STRATEGY

All operating funds of Upshur County that are invested are invested by matching the maturity of investments with liabilities. Investments are made with the intention of holding to maturity, but with the ability to liquidate should funds be needed at any time.

## INVESTMENT SCOPE (LEGAL AUTHORITY TO INVEST)

Texas government Code Ann., Sect. 2256.003 et seq. (vernon 1995) authorizes the Commissioners' Court to invest County Funds.

## INVESTMENT INSTRUMENTS

The Upshur County Treasurer shall use any or all of the following authorized investment instruments consistent with the governing law and this policy.

### BANK INVESTMENTS

Fully collateralized Certificates of Deposit  
Fully collateralized interest-bearing checking accounts

### DIRECT INVESTMENTS

United States Treasury Securities  
Obligations of the United States of its Agencies and Instrumentalities, with a LEGAL STATED MATURITY OF TWENTY FIVE (25) MONTHS OR LESS.

## PUBLIC FUNDS INVESTMENT POOLS

Investment Pool (s) allowable under the Public Fund Investment Act and that hold a rating consistent with 2256.019 Government code.

## IV. INVESTMENT RESPONSIBILITY AND CONTROL

### METHOD OF MONITORING MARKET VALUE

Any and all DIRECT INVESTMENTS, as listed above, will be monitored for individual market value through the Wall Street Journal publication. These market values will be presented, in report form, to the Commissioners' Court and the internal auditor of Upshur County.

### DELEGATION OF INVESTMENT AUTHORITY

In accordance with Sec. 2256.005 of the Public Funds Investment Act, the County Treasurer, under the direction of the Upshur County Commissioners' Court, may invest County funds that are not immediately required to pay obligations of the County. The County Treasurer shall develop and maintain written administrative procedures for the operation of the investment program, consistent with this investment policy.

### PRUDENCE AND ETHICAL STANDARDS

Upshur County uses the "Prudent Person Rule" when managing the portfolio within the applicable legal and policy constraints. The prudent person rule is restated as follows:

"Investments must be made with the judgment and care, under prevailing circumstances, which persons of prudence, discretion and intelligence would exercise in the management of their own affairs for investment, not for speculation, considering the probable safety of their capital as well as the probable income to be derived."

### LIABILITY OF AN INVESTMENT OFFICER

In accordance with Sec 113.005, Texas Local Government Code, the County Treasurer is not responsible for any loss of County funds through the failure or negligence of a depository. This section does not release the Treasurer from responsibilities for a loss resulting from the official misconduct or negligence of the Treasurer, including misappropriation of the funds, or from responsibility for funds until depository is selected and funds are deposited.

### ACCOUNTING AND AUDIT CONTROL

The County Treasurer will establish liaison with the County Auditor in preparing investment forms to assist the Auditor with accounting and auditing control.

### SUBJECT TO AUDIT

The County Treasurer is subject to audit by the County Auditor. In addition, it is the responsibility of the County Commissioners' Court, at a minimum, to have an annual audit of the County funds by an independent auditing firm.

## V. INVESTMENT REPORTING

### MONTHLY REPORTING

In accordance with Texas Government Code, Title 10, Sec. 2256.023, the County Treasurer will report, in writing, monthly to Commissioners' Court and the County Auditor. The report shall include a detailed listing of all purchases, cased in maturities, cusip numbers and totals of all securities held as of month end report schedule.

### QUARTERLY REPORTING

In accordance with Texas Government Code, Title 10, sec. 2256.023, the County Treasurer will report quarterly the portfolio statistics, listing, type, and description of investment in detail, the broker/dealer used for purchases, the yield to maturity, the stated maturity date and the previous and current market value.

## VI. INVESTMENT INSTITUTIONS

### DEPOSITORY BANK AND OTHER BANKING INSTITUTIONS;

Fully collateralized Certificates of Deposit and interest-bearing checking accounts shall be invested in accordance with DEPOSITORY CONTRACT executed by the Commissioners' Court and in compliance with V.C.T.A., Texas Local Government Code, Chapter 117.

### BROKER /DEALER /POOLS

The County Treasurer shall invest County funds through the Federal Reserve Bank book entry system, consistent with federal and state law and the current Bank Depository Contract. Purchases shall be made with:

U.S. Government Security dealers appearing on the Primary Government Securities Dealers List as published by the Federal Reserve System, and recommended by the County Treasurer.

Public Fund Investment Pool(s) that are consistent with Government code Chapter 2256 sec. 2256.019, and that are specifically approved within this investment policy.

## VII. INVESTMENT PROCEDURES

### CONFIRMATION OF TRADE

A confirmation of trade will be provided by the broker/dealer to the Upshur County Treasurer for every purchase of an investment security. This trade ticket and confirmation will become a part of the file that is maintained on every investment security.

## DELIVERY VERSUS PAYMENT

It will be the policy of the County that all Treasury and Government Agency securities shall be purchased using the "delivery vs. payment" (DVP) method through the Federal Reserve System. By doing so, County funds are not released until the County has received, through the Federal Reserve wire, the securities purchased.

## SAFEKEEPING INSTITUTION

All purchased securities by the Depository Bank shall be held in safekeeping by the County, or a County account in a third party financial institution or with a Federal Reserve Bank.

## VII. COLLATERAL AND SAFEKEEPING

### COLLATERAL OR INSURANCE

The Upshur County Treasurer shall insure that all County funds are fully collateralized or insured consistent with Federal and State law and the current Depository Bank Contract in one or more of the following manners:

#### FDIC insurance coverage

United States Government Bonds, Notes, and Bills

Securities of Federally sponsored U.S. agencies and instrumentalities of the U.S. Government. No collateralized Mortgage Obligations (CMO's) are acceptable.

### SAFEKEEPING

Securities pledged as collateral shall be deposited in trust with the Federal Reserve Bank or another disinterested third party bank under an appropriate legal contract. The amount of such securities pledged shall be determined by their market value.

### COLLATERAL REPORTING

The County Treasurer shall report to the Commissioners' Court the valuation of collateral compared to all County deposits on a monthly basis.



CERTIFICATION

I hereby certify that I have personally read and understand the Public Funds Investment Act and the Investment Policy of Upshur County, and have implemented reasonable procedures and controls designed to fulfill those objectives and conditions. Transactions between this firm or bank and Upshur County will be directed toward precluding imprudent investment activities and protecting the County from credit risk.

All the sales personnel of this firm or bank dealing with Upshur County's account have been informed and will be routinely informed of the County's investment horizons, limitations, strategies and risk constraints, whenever we are so informed.

This firm or bank pledges due diligence in informing the County of foreseeable risks associated with financial transactions connected to this firm or bank.

---

(Firm)

---

(Registered Principal)

---

(Name)

---

(Title)

---

(Registration or Dealer #)

---

(Signature)