

APPROPRIATIONS AND REVENUE SOURCES
INVESTMENTS

CAK
(LOCAL)

Investment Authority

The College President, the vice president of fiscal services, and any other person designated by Board resolution shall serve as the investment officers of the College District, shall recommend appropriate legally authorized and adequately secured investments, and shall invest College District funds as directed by the Board and in accordance with the College District's written investment policy and generally accepted accounting procedures. The investment officers shall be bonded or shall be covered under a fidelity insurance policy. All investment transactions shall be settled on a delivery versus payment basis.

**Approved
Investment
Instruments**

From those investments authorized by law and described further in CAK(LEGAL) under Authorized Investments, the Board shall permit, subject to Board approval, investment of College District funds, including bond proceeds and pledged revenue to the extent allowed by law, in only the following investment types, consistent with the strategies and maturities defined in this policy:

1. Obligations of, or guaranteed by, governmental entities as permitted by Government Code 2256.009.
2. Certificates of deposit and share certificates as permitted by Government Code 2256.010.
3. Fully collateralized repurchase agreements permitted by Government Code 2256.011.
4. A securities lending program as permitted by Government Code 2256.0115.
5. Banker's acceptances as permitted by Government Code 2256.012.
6. Commercial paper as permitted by Government Code 2256.013.
7. No-load mutual funds, except for bond proceeds, and no-load money market mutual funds as permitted by Government Code 2256.014.
8. A guaranteed investment contract as an investment vehicle for bond proceeds, provided it meets the criteria and eligibility requirements established by Government Code 2256.015.
9. Public funds investment pools as permitted by Government Code 2256.016.
10. Cash management and fixed income funds as permitted by Government Code 2256.020.

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11. Negotiable certificates of deposit as permitted by Government Code 2256.020.
12. Corporate bonds, debentures, or similar debt obligations as permitted by Government Code 2256.020.

Safety

The primary goal of the investment program is to ensure safety of principal, to maintain liquidity, and to maximize financial returns within current market conditions in accordance with this policy. Investments shall be made in a manner that ensures the preservation of capital in the overall portfolio, and offsets during a 12-month period any market price losses resulting from interest-rate fluctuations by income received from the balance of the portfolio. No individual investment transaction shall be undertaken that jeopardizes the total capital position of the overall portfolio.

Investment Management

In accordance with Government Code 2256.005(b)(3), the quality and capability of investment management for College District funds shall be in accordance with the standard of care, investment training, and other requirements set forth in Government Code Chapter 2256.

Liquidity and Maturity

Board approval is necessary for an individual investment that requires more than a year to mature.

The College District's investment portfolio shall have sufficient liquidity to meet anticipated cash flow requirements, projected on a weekly, monthly, and annual basis. The College District shall have procedures to determine cash flow requirements according to generally accepted financial and accounting procedures.

Diversity

The investment portfolio shall be diversified in terms of investment instruments, maturity scheduling, and financial institutions to reduce risk of loss resulting from overconcentration of assets in a specific class of investments, specific maturity, or specific issuer.

Monitoring Market Prices

The investment officers shall monitor the investment portfolio and shall keep the Board informed of significant changes in the market value of the College District's investment portfolio. Information sources may include financial/investment publications and electronic media, available software for tracking investments, depository banks, commercial or investment banks, financial advisers, and representatives/advisers of investment pools or money market funds. Monitoring shall be done at least quarterly, as required by law, and more often as economic conditions warrant by using appropriate reports, indices, or benchmarks for the type of investment.

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Monitoring Rating Changes In accordance with Government Code 2256.005(b), the investment officer shall develop a procedure to monitor changes in investment ratings and to liquidate investments that do not maintain satisfactory ratings.

Funds / Strategies Investments of the following fund categories shall be consistent with this policy and in accordance with the applicable strategy defined below. All strategies described below for the investment of a particular fund should be based on an understanding of the suitability of an investment to the financial requirements of the College District and consider preservation and safety of principal, liquidity, marketability of an investment if the need arises to liquidate before maturity, diversification of the investment portfolio, and yield.

Current Funds Investment strategies for current funds (including any commingled pools containing current funds) shall have as their primary objectives preservation and safety of principal, investment liquidity, and maturity sufficient to meet anticipated cash flow requirements.

Custodial Funds Investment strategies for custodial funds shall have as their primary objectives preservation and safety of principal, investment liquidity, and maturity sufficient to meet anticipated cash flow requirements.

Plant Funds Investment strategies for plant funds shall have as their primary objective sufficient investment liquidity to timely meet plant payment obligations in accordance with provisions in the bond documents. Maturities longer than one year are authorized provided legal limits are not exceeded.

Endowment and Similar Funds The College District's investment and spending policies comply with the Uniform Prudent Management of Institutional Funds Act (UPMIFA) as enacted by the State of Texas on September 1, 2007. The spending policy, expressed as a percentage of market value of the Endowment, shall be determined on an annual basis by the Board upon the recommendation of the Investment Committee. In recommending a spending policy for a given fiscal year, the Investment Committee shall take into consideration the average total return over the past five years, when available. The original corpus of the endowment shall remain protected and shall not be disbursed. Newly established endowments shall be allowed to grow over a year period before being distributed. A spending cap of five percent shall be required on all spending policies.

Safekeeping and Custody The cash, collateral, and investments of the College District shall be held by an independent third party with whom the College District has a current custodial agreement. The College District shall retain clearly marked receipts providing proof of the College District's ownership, or the College District may delegate to an invest-

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ment pool the authority to hold legal title as custodian of investments purchased with College District funds.

Sellers of Investments

Prior to handling investments on behalf of the College District, a broker/dealer or a qualified representative of a business organization must submit required written documents in accordance with law.

Representatives of brokers/dealers shall be registered with the Texas State Securities Board and be in good standing with the Financial Industry Regulatory Authority (FINRA).

Soliciting Bids

In order to get the best return on its investments, the College District may solicit bids in writing, by telephone, or electronically.

Interest Rate Risk

To reduce exposure to changes in interest rates that could adversely affect the value of investments, the College District may use final and weighted-average-maturity limits and diversification.

The College District may monitor interest rate risk using weighted average maturity and specific identification.

Internal Controls

A system of internal controls shall be established and documented in writing and must include specific procedures designating who has authority to withdraw funds. Also, they shall be designed to protect against losses of public funds arising from fraud, employee error, misrepresentation by third parties, unanticipated changes in financial markets, or imprudent actions by employees and officers of the College District. Controls deemed most important shall include:

1. Separation of transaction authority from accounting and recordkeeping and electronic transfer of funds.
2. Avoidance of collusion.
3. Custodial safekeeping.
4. Clear delegation of authority.
5. Written confirmation of telephone transactions.
6. Documentation of dealer questionnaires, quotations and bids, evaluations, transactions, and rationale.
7. Avoidance of bearer-form securities.

These controls shall be reviewed by the College District's independent auditing firm.

Annual Review

The Board shall review this investment policy and investment strategies not less than annually and shall document its review in

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writing, which shall include whether any changes were made to either the investment policy or investment strategies.

Annual Audit

In conjunction with the annual financial audit, the College District shall perform a compliance audit of management controls on investments and adherence to the College District's established investment policies.

Minutes of Board of Trustees Meeting

The Board of Trustees Panola College

The Board of Trustees of Panola College held their regularly scheduled meeting on Monday, February 27, 2023, in the Murphy Community Room of the Library. Mr. Goolsby, Board Chair, called the meeting to order at 6:15 pm. Mr. Phillips opened the meeting in prayer. There were no public comments.

MEMBERS PRESENT

Mr. William Goolsby
Mr. Richard Thomas
Mr. Bobby Phillips

Mr. Kevin Smith
Mrs. Fatha Burchette

Mr. Mark Roberson
Dr. Gregory Powell

1. Update on new Energy Building to be presented by Jacobe Bros.

Mr. Clint Harris thanked the Board for the opportunity to present the update of the new Energy Building: scheduling, working with Subcontracts on contracts, starting the building layout, site clearing, and a new finish date of May 2024. The GMP remains unchanged.

2. Upon motion by Mr. Phillips and second by Mrs. Burchette, the Board approved the minutes for the called Board Meeting on January 17, 2023.

3. Approval of Monthly Financial Statements for December 2022 and January 2023

Dr. Powell was recognized and requested Vice President Howard make the presentation. In December 2022, cash balances in Board designated funds are up, restricted fund cash balances are down, and total cash is up from December 2021. In January 2023, cash balances in Board designated funds are up, restricted fund cash balances are up, and total cash is up from January 2022. Total cash is excluding bond funds. Revenues and expenses are within budget.

Upon motion by Mr. Roberson and second by Mr. Thomas, the Board voted to approve the financial statements as presented.

4. Appointment of the Budget Committee for fiscal year 2023 – 2024
 1. Goolsby
 2. Phillips
 3. Lipsey

5. Discussion and potential action regarding tuition/fees for the 2023 – 2024 academic year

Mr. Goolsby recognized Dr. Powell for this report. Dr. Powell presented a chart showing averages of the eight East Texas Colleges as well as Statewide averages. He met with the

Student Government Association (SGA) and reviewed the proposed increases. The SGA endorsed the recommendation of Administration as follows:

- In-district tuition/fees by \$3 (+3.26%) per semester credit hour
- Out-of-District tuition/fees by \$5 (+3.13%) per semester credit hour
- Non-Resident tuition/fees by \$7 (+3.43%) per semester credit hour

Upon motion by Mr. Smith and second by Mr. Phillips, the Board voted to approve the recommendation of Administration.

6. Discussion and potential action regarding Endowment Spend Rate for 2023 - 2024

Dr. Powell stated he met with the Investment Committee of Goolsby, Smith & Lipsey on February 16 to discuss the Endowment Spend Rate for 2023 – 2024. The Investment Committee recommends that a Spend Rate of 4% of the Endowment's Fair Market Value be adopted.

Upon motion by Mr. Roberson and second by Mr. Smith, the Board voted to adopt the recommendation of the Investment Committee of 4% Endowment Spend Rate for 23-24.

7. Discussion and potential action regarding College Investment Policy CAK (LOCAL)

Mr. Goolsby recognized Dr. Powell. Dr. Powell reviewed our current Investment Policy as required annually by State Law and one adjustment are recommended. We recommend deleting the words 'and must have membership in the Securities Investor Protection Corporation (SIPC)'. TPF is not required to be registered with SIPC because it is a nonprofit religious and charitable corporation, and the PFIA does not specifically require investment brokers to be SIPC members.

Upon motion by Mr. Smith and second by Mr. Roberson, the Board approved the revision of the College's Investment Policy.

8. Discussion and potential action regarding TASB Update 44 (LEGAL) policies and Update 44 (LOCAL) policies, as well as CIA (LOCAL), and FLA (LOCAL).

Mr. Goolsby recognized Dr. Powell for this item. The Executive Council reviewed Update 44 (LOCAL) policy, as well as CIA (LOCAL) and FLA (LOCAL). The Board received these Update 44(LOCAL) policies with TASB recommendations and Executive Council agree with these recommendations.

Upon motion by Mr. Thomas and second by Mrs. Burchette, the Board voted to approve TASB Update 44 (LEGAL) policies and Update 44 (LOCAL) policies, CIA (LOCAL), and FLA (LOCAL).

*9. Discussion and potential action regarding personnel and/or real property

The Board entered into Closed Session at 6:34 p.m. and reconvened at 6:44 p.m. Administration made the following recommendations:

Retirement with appreciation:

Karen King – Professor – Drama, effective June 15, 2023

Don Cocklin – Professor – Psychology, effective May 15, 2023

Employment:

Elizabeth Hobbs – Professor, Associate Degree Nursing, effective February 6, 2023
Casie Risinger – Professor, Associate Degree Nursing, effective February 6, 2023

Resignation:

Dedra Lynn Hanson – Chair/Instructor – Health information Technology/Medical Assisting – effective May 4, 2023

Upon motion by Mr. Phillips and second by Mr. Smith, the Board voted to accept the recommendations of Administration.

Authorize President Greg Powell to negotiate a contract with Corgan Architects regarding replacement of the baseball bleachers and horse barns.

Upon motion by Mrs. Burchette and second by Mr. Roberson, the Board voted to accept the recommendations of Administration.

In recognition of their outstanding support For Panola College in general and specifically for their significant donation in particular for this new facility, the Board of Trustees officially named the under-construction energy technology building – Matthews Foundation Energy Building.

Upon motion by Mr. Smith and second by Mr. Thomas, the Board voted to accept the recommendation of Administration.

10. President's Monthly Report – presented in written form


OTHERS PRESENT:

Ms. Mary Chance, Assistant to the President
Dr. Billy Adams, Vice President of Instruction
Mr. Alan Howard, Vice President of Fiscal Services
Mr. Don Clinton, Vice President of Student Services
Mrs. Jessica Pace, Vice President of Institutional Advancement
Mrs. Kelly Reed-Hirsch, Dean of Health Sciences
Mr. Jeremy Dorman, Director of Human Resources
Mrs. Tamisha Culberson, Director of Information Technology
Dr. Kevin Rutherford, PFA President
Mr. Jeff Jones, Police Chief
Mr. David Zatopek, Corgan Architects
Mr. Clint Harris, Jacobe Bros. Representative
Ms. Mike Elswick, Panola Watchman Representative

ADJOURNMENT Upon motion by Mr. Phillips and second by Mr. Thomas, the meeting adjourned at 6: 47 p.m.



Mr. William Goodlsby, Chair
Board of Trustees



Mr. Richard H. Thomas, Secretary
Board of Trustees