



## Cuyahoga Arts & Culture Investment Policy

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### **Policy Statement and Scope**

This document, in conjunction with the Ohio Revised Code, as amended from time to time, will govern the investment activities of Cuyahoga Arts & Culture (CAC). It is the policy of CAC to invest public funds in a manner which will provide the highest return with the maximum security while meeting cash flow demands.

### **Investment Objectives**

The primary objectives, in priority order, of CAC's financial investments are:

- **Safety of Principal** - Safety of principal is the foremost objective of the investment program. All investments shall be undertaken in a manner that seeks first to preserve capital and second to fulfill other investment objectives.
- **Liquidity** - CAC's investment portfolio will remain sufficiently liquid to enable CAC to meet all operating requirements which might be reasonably anticipated.
- **Return on Investments (Yield)** - CAC's investments should generate the highest available return without sacrificing the first two objectives outlined above.
- **Minimization of Risk** - All attempts shall be made to minimize risks inherent in investment through diversification so as to minimize the risk of loss resulting from an over-concentration of funds in a specific maturity, issuer, industry, geographical area, or class of securities.
- **Minimization of Cost** - All attempts shall be made to minimize the costs of financial transactions related to implementing investment strategies.

### **Authorized and Suitable Investments**

CAC will be permitted to invest in any security specifically authorized by Ohio Revised Code Section 135.35, as amended from time to time, for the investment of public moneys.

### **Maturity of Funds**

No investment shall have a maturity date of more than five years from its date of purchase by CAC. To the extent possible and prudent, CAC will attempt to match its investment maturities with anticipated cash flow requirements.

Securities may be redeemed or sold prior to maturity to meet additional liquidity needs, to enhance the yield of the portfolio, to re-structure the portfolio, or to realize capital gains.

### **Deposit Requirements**

All deposits shall be collateralized pursuant to applicable requirements of Ohio Revised Code Chapter 135. CAC's Board of Trustees shall designate its public depositories in accordance with applicable requirements of Ohio Revised Code Chapter 135. Any eligible financial institution within the State of Ohio may become a public depository of the funds of CAC.

CAC shall deal only with brokers or dealers who are registered as such with the Securities and Exchange Commission and, which are licensed as a dealer with the Ohio Division of Securities. Such brokers or dealers should also be members of the National Association of Securities Dealers, Inc. Securities brokers and dealers shall be utilized only after an analysis performed by the Executive Director has revealed that the broker is adequately capitalized to conduct business with CAC and has been approved by the Board of Trustees.

A copy of this Investment Policy and any revisions or updated versions will be given to eligible financial institutions and brokers and dealers desiring to do business with CAC. It shall be the responsibility of the designated officer of those institutions and brokers and dealers to review the Investment Policy and agree to comply with all applicable State of Ohio and Federal Laws. Furthermore, the aforementioned officer shall agree to disclose any potential conflicts or risks to CAC funds that could arise out of financial transactions between the financial institutions, brokers, dealers and CAC.

### **Reporting**

The Executive Director shall provide monthly investment reports to Members of the Audit and Finance Advisory Committee for review and comment and regular reports the Board of Trustees. The investment reports shall clearly provide the following information regarding the investment portfolio: types of investment, depository institutions, principal balances, rates of return and maturities.

### **Investment Policy Adoption**

CAC's Investment Policy shall be adopted by resolution of CAC's Board of Trustees. The Policy shall be reviewed no less than annually by the Audit and Finance Advisory Committee and any modifications made thereto must be approved by CAC's Board of Trustees.

The approved Investment Policy must be filed with the Auditor of State of Ohio. The Executive Director shall maintain a copy of the filed Policy. That copy must be signed by the following:

- All entities conducting investment business with the investing authority.
- All brokers, dealers and financial institutions initiating transactions with the investment authority by giving advice or making investment policy thereby acknowledging their agreement to abide by the policy's content.
- All brokers, dealers and financial institutions executing transactions with the investment authority by giving advice or making investment policy thereby acknowledging their agreement to abide by the policy's content.

## **Excerpt from ORC Section 135.35 -- Acceptable Investments for CAC's Inactive Monies**

### **Excerpt from ORC Section 135.35 -- Acceptable Investments for CAC's Inactive Monies (A)**

The investing authority shall deposit or invest any part or all of the county's inactive moneys and shall invest all of the money in the county public library fund when required by section 135.352 of the Revised Code. The following classifications of securities and obligations are eligible for such deposit or investment:

(1) United States treasury bills, notes, bonds, or any other obligation or security issued by the United States treasury, any other obligation guaranteed as to principal or interest by the United States, or any book entry, zero-coupon United States treasury security that is a direct obligation of the United States.

Nothing in the classification of eligible securities and obligations set forth in divisions (A)(2) to (11) of this section shall be construed to authorize any investment in stripped principal or interest obligations of such eligible securities and obligations.

(2) Bonds, notes, debentures, or any other obligations or securities issued by any federal government agency or instrumentality, including but not limited to, the federal national mortgage association, federal home loan bank, federal farm credit bank, federal home loan mortgage corporation, government national mortgage association, and student loan marketing association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities.

(3) Time certificates of deposit or savings or deposit accounts, including, but not limited to, passbook accounts, in any eligible institution mentioned in section 135.32 of the Revised Code;

(4) Bonds and other obligations of this state or the political subdivisions of this state, provided that such political subdivisions are located wholly or partly within the same county as the investing authority;

(5) No-load money market mutual funds consisting exclusively of obligations described in division (A)(1) or (2) of this section and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions mentioned in section 135.32 of the Revised Code;

(6) The Ohio subdivision's fund as provided in section 135.45 of the Revised Code;

(7) Securities lending agreements with any eligible institution mentioned in section 135.32 of the Revised Code that is a member of the federal reserve system or federal home loan bank or with any recognized United States government securities dealer meeting the description in division (J)(1) of this section, under the terms of which agreements the investing authority lends securities and the eligible institution or dealer agrees to simultaneously exchange similar securities or cash, equal value for equal value.