

DICKENS COUNTY APPRAISAL DISTRICT

PUBLIC INVESTMENT POLICY

INVESTMENT SCOPE

This investment policy applies to the investment activities of the Dickens County Appraisal District. This policy serves to satisfy the statutory requirements to define and adopt a formal investment policy. All financial assets of all funds of the Dickens County Appraisal District at the present time and any funds to be created in the future shall administered in accordance with the provisions of this policy unless expressly prohibited by law or unless it is in contravention of any depository contract between the district and its depository bank.

INVESTMENT OBJECTIVES

Safety

The Dickens CAD is concerned about the return of its principal therefore; safety of principal is a primary objective in any investment transaction. In no event shall an investment to include interest exceed the maximum amount insured by the FDIC or U.S. Government unless collateralized with pledged securities. All investments shall be made in the name of the Dickens County Appraisal District and shall not be commingled with any funds which are not an asset of the appraisal district.

Liquidity

The appraisal district's investment portfolio must be structured in a manner which will provide the liquidity necessary to pay obligations as they become due.

Diversification

The investment policy of the Dickens CAD, except when investing with the depository bank or in the U.S. Treasury, will be to diversify its investments when investing in certificates of deposit of other banks located in Dickens County, and other investment instruments provided for by law. Investments of the appraisal district will be selected on a basis of stability of income and reasonable liquidity so that obligations may be paid as they become due.

Yield

Subject to Federal and state laws and the Dickens CAD depository contract, it will be the districts objective to earn the maximum interest rate allowed within the constraints of safety, liquidity and convenience.

Maturity

The investment portfolio of the Dickens CAD will be staggered in a way to achieve the highest return of interest but at the same time provide for the necessary liquidity to meet the cash needs of the appraisal district.

INVESTMENT RESPONSIBILITY AND CONTROL

Investment Representative

The Chief Appraiser/Administrator is the official investment representative of the Dickens CAD. The Chief Appraiser/Administrator may delegate authority to his/her employees pursuant to Section 6.05 (e) of the Texas Property Tax Code.

Prudence

Investments of the Dickens CAD shall be made with the exercise of due care, caution and good judgment as well as wisdom in looking ahead, and not for speculation but to investment considering the safety of capital, liquidity, as well as a reasonable return of interest income for the district.

Liability of Investment Representative

The Investment Representative or his/her designee shall not be responsible for any loss of the Dickens CAD funds through the failure or negligence of any depository; but nothing in the policy shall release any appraisal district investment representative for any loss resulting from any official misconduct or negligence on his part; nor from any responsibility for the funds deposited therein, nor for any misappropriation of such funds by him.

Audit control

All necessary forms for the accounting and audit control of any and all investments shall be safely kept and maintained current by the Investment Representative or his designee.

Subject to Audit

All investments by the appraisal district are subject to an audit at any time.

Audit by Independent Auditing Firm

The investments of the Dickens CAD shall be subject to the annual financial audit performed by an independent auditing firm.

INVESTMENT REPORTING

Monthly Reporting

A detailed listing of the Dickens CAD investment portfolio along it corresponding pledged securities and safekeeping receipt numbers shall be kept by the Investment Representative or his designee. The listing shall state the date the certificate or security was purchased, the term of the investment, the amount of the investment, the rate of the return on the investment, the projected earnings of the investment, a list of securities pledged to guarantee the investments and the market value of the securities. A quarterly report on the amount and type of investments will be presented the board of directors as a part of the regular financial report.

Annual Report

The investment Representative will prepare a written yearly report concerning the appraisal districts investment transaction for the preceding year. The report will describe in detail the investment position of district.

Notification of Investment Changes

The Investment Representative shall notify the Board of Directors of any significant changes in current investment methods and procedures prior to their implementation

INVESTMENT INSTRUMENTS

The Investment Representative shall use any or all of the following authorized investment instruments consistent with federal and state law and the appraisal districts depository contract:

1. Certificates of Deposit issued by banks located in Texas, the payment of which is insured in full by the Federal Deposit Insurance Corporation FDIC.
2. Direct obligations of the United States Government, its agencies and instrumentality's
3. Direct obligations of the State of Texas or its agencies
4. Money Market Investment Accounts
5. Now Accounts (Negotiable Order of Withdrawal)
6. Time Deposit

INVESTMENT INSTITUTIONS DEFINED

The Investment Representative or his designees shall invest funds with any or all of the following institutions or groups consistent with federal and state law and the current depository band contact:

1. Depository Bank;
2. Other state or national banks located in Texas that are fully insured by the Federal Deposit Insurance Corporation FDIC
3. Brokers and dealers of government securities that report to the Market Reports Division of the Federal Reserve Bank of New York, also known as the Primary Government Securities Dealers that are fully insured.

SAFEKEEPING

When investments require pledged securities, a copy of the safekeeping receipts showing the Federal Reserve System branch bank where the securities are held, shall be faxed to the District at the time of the investment. The original safekeeping receipts shall be delivered to the District no later than the second day after the investment is made.