

OTHER REVENUES
INVESTMENTS

CDA
(REGULATION)

COLLATERALIZATION

Consistent with the requirements of the Public Funds Collateral Act, it is the policy of the District to require full collateralization of all District investments and funds on deposit with a depository bank, other than investments which are obligations of the U. S. Government and its agencies and instrumentalities. As required by Government Code 2257.022, the collateralization level shall be 110 percent of market value of principal and accrued interest on the deposits or investments, less an amount insured by the FDIC or FSLIC. Securities pledged as collateral shall be held by an independent third party with which the District has a current custodial agreement. The Executive Director of Finance is responsible for entering into collateralization agreements with third-party custodians in compliance with this policy. The agreements are to specify the acceptable investment securities for collateral, the substitution or release of investment securities, ownership of securities, and the method of valuation of securities. Collateral shall be reviewed at least weekly to assure that the market value of the pledged securities is adequate.