



Ohio Administrative Code

Rule 3357:15-16-07 Investments and cash management.

Effective: June 8, 2026

(A) Purposes: the purposes of this investment policy are to:

- (1) Establish the investment objectives of Stark State College (the "college") and provide a framework for the prudent management of investable funds within short-, intermediate-and long-term time horizons.
- (2) Serve as a guideline for the investment committee (the "committee") of the college, and any investment advisors, managers, or custodians retained by the college.
- (3) Define the roles and responsibilities of all parties involved in the investment program.

(B) Terms and Definitions. For purposes of this policy, the following definitions apply:

- (1) "Fiduciary" shall mean any individual or group of individuals that exercise discretionary authority or control over the college investments or any authority or control over management, disposition, or administration of the college's investments.
- (2) "Investment Advisor" shall mean any individual or organization employed to provide advisory services, including advice on investment objectives and/or asset allocation, manager search, and performance monitoring.
- (3) "Investment Manager" shall mean any individual or group of individuals employed to manage the investment of all or part of the college's assets.
- (4) "Custodian" shall be the entity responsible for the possession of securities owned by the college and shall collect dividend and interest payments, redeem maturing securities, and effect receipt and delivery following purchases and sales.
- (5) "Securities" shall refer to the marketable investment securities that are defined as acceptable in this policy.
- (6) "Time Horizon" shall be the time period over which the investment objectives, as set forth in this policy, are expected to be met.

(C) General Investment Policy Goals and Objectives

As a political subdivision of the state of Ohio and a local technical college district, the college is responsible for the stewardship of funds received from a variety of public and private sources for the accomplishment of its legislatively mandated public



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mission. Accordingly, the goals and objectives of the college's investment activities, in order of importance, are:

- (1) Strict adherence to the Ohio Revised Code and the authority granted under ORC 3357.10, whereby the board may provide for the investment of college funds in any manner authorized under ORC 3345.05. All such investments shall be made pursuant to this policy.
 - (a) Cash equivalents and fixed income: A minimum of 25% of the average amount of the college's investment portfolio over the course of the previous fiscal year must be invested in securities of the United States government or of its agencies or instrumentalities; the treasurer of state's pooled investment program; obligations of this state or any political subdivision of this state; certificates of deposit of any national bank located in this state; written repurchase agreements with any eligible Ohio financial institution that is a member of the federal reserve system or Federal Home Loan Bank; money market funds; or bankers acceptances maturing in 270 (two hundred seventy) days or less, which are eligible for purchase by the Federal Reserve System, as a reserve.
 - (b) Longer-term investments: A maximum of 75% of the average amount of the college's investment portfolio over the course of the previous fiscal year may be invested as permitted in ORC 3345.05(C)(2) and further defined in this policy.
 - (c) ORC 3345.161. The board shall make investment decisions with the sole purpose of maximizing the return on its investments.
- (2) Long-term preservation of the corpus (i.e. the stability of invested principal on a year-to-year basis, especially in the short- and mid-term segments), followed by the growth of the corpus.
- (3) Sufficient liquidity to enable the college to meet all operating requirements that may be reasonably anticipated.
- (4) To minimize the amount of idle cash, while simultaneously providing adequate liquidity for the college to meet its daily financial obligations.
- (5) To control costs of administering and managing the fund.
- (6) To optimize return of the Portfolio with reasonable and prudent levels of risk.

(D) Authority and Regulatory Compliance



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- (1) Board of Trustees. The board of trustees has the ultimate fiduciary responsibility for the college's investment Portfolio due to its statutory mandate to hold in trust all Portfolio funds. This policy requires all fiduciaries (that is, all Trustees) to discharge their duties with the care, skill, prudence, and diligence under the circumstances then prevailing that a prudent person acting in like capacity and familiar with such matters would use in the conduct of an enterprise of a like character and with like aims. As part of its fiduciary oversight, the board determines the appropriate strategy for the Portfolio. The board sets, approves, and amends the investment policy, and delegates responsibility for implementation of the investment program to the Committee. The board reviews periodic reports from the Committee on the status of the investment program, as discussed below.
- (2) Investment Committee. In accordance with Ohio Revised Code 3345.05(C) (3), the Board through this policy establishes an investment committee ("committee"). The committee will consist of the college's president, chief financial officer, comptroller, budget director and a member of the college board of trustees (preferably with finance and/or accounting expertise).

In accordance with ORC 3345.05(D), the committee shall meet at least quarterly. The committee shall review and recommend revisions to this investment policy at least annually and shall advise the board on its investments in an effort to assist the board in meeting its obligations as a fiduciary. The committee implements the board's investment strategy. The board delegates investment decision authority to the Committee.

As authorized by statute and pursuant to this policy, the committee retains the services of an investment advisor. The committee is consequently responsible for hiring and terminating investment advisors, managers, and/or custodians.

The committee will maintain sufficient knowledge about the portfolio and its investment managers so as to be reasonably ensured of the managers' compliance with the investment policy and all relevant statutes.

- (3) Treasurer/college Chief Financial Officer. The committee delegates the authority to execute investment operations approved by the committee to the Treasurer / Chief Financial Officer ("treasurer"). The treasurer serves as primary contact for the college's investment advisor, managers, and custodians. The treasurer provides the Committee with reports on portfolio composition and performance at least quarterly.
- (4) Investment Advisor. The investment advisor is responsible for providing support to the committee. The investment advisor must:



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- (a) Be licensed by the division of securities under section 1707.141 of the Ohio Revised Code or be registered with the Securities and Exchange Commission.
- (b) Have experience in the management (i.e., advisory oversight) of investments of public funds, especially in the investment of state government investment Portfolios, or be an eligible institution referenced in section 135.03 of the Ohio Revised Code.
- (c) The scope of the advisor's role and responsibilities will vary from time-to-time, as directed by the committee. The advisor's responsibilities may include any of the following:
 - (i) Assist with ensuring compliance with Ohio Revised Code.
 - (ii) Maintain compliance with the investment policy.
 - (iii) Monitor the performance of the portfolio and each investment to determine if the collective investment strategy is meeting objectives.
 - (iv) Perform strategic asset allocation analysis from time to time to determine if the current strategy is appropriate to meet the investment objectives.
 - (v) Implement approved tactical asset allocation changes following the investment process of the college.
 - (vi) Perform ongoing due diligence on investment managers to determine their continued suitability within the portfolio; and recommend and implement, with committee approval, the hiring, terminating, or replacement of investment managers.
 - (vii) Maintain copies of agreements and subscription documents with investment managers.
 - (viii) Provide monthly and quarterly performance reports to help the committee evaluate each investment manager and the results of the overall portfolio.
 - (ix) Assess overall investment fees of the portfolio.
 - (x) Provide education to the investment committee based on best practices for investment committees.



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- (5) Investment Managers. The committee, with advice from its investment advisor, may engage investment managers. If the committee does so, the committee shall engage in professional, SEC-registered investment managers, FDIC-insured banks, state- or federally-regulated banks or trust companies for the direct investment management of the portfolio's assets, including separately managed accounts, mutual funds, co-mingled funds, and partnerships. Each investment manager has discretion to purchase, sell, or hold the specific securities used to meet the college's investment objectives, within the scope of allowable investments and within their specific investment mandate, as delineated in writing by the committee.
- (a) Investment managers must meet the following minimum attributes to manage the portfolio:
- (i) The institution should be a bank, insurance company, investment management company, or investment adviser under the Registered Investment Advisers Act of 1940.
 - (ii) The institution should be operating in good standing with regulators and clients, with no material pending or concluded legal actions.
 - (iii) The institution should provide detailed information on the history of the firm, its investment philosophy and approach, and its principals, clients, locations, fee schedules, and other relevant information to the Investment Advisor.
- (b) Assuming the minimum criteria are met, the particular investment manager under consideration should meet the following standards:
- (i) Performance reporting should comply with CFA Institute's Global Investment Performance Standards (GIPS).
 - (ii) Risk and risk-adjusted return measures should be evaluated and be within a reasonable range relative to an appropriate, style-specific benchmark, and peer group.
 - (iii) Fees should be competitive compared to similar investments.
- (c) Voting of Proxies. Investment managers are responsible for voting proxies which should be made in the best interest of the college. Any proxies relating to social or environmental policy as used in ORC 3345.161 shall be referred to the committee to decide whether the board should vote.



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- (d) Execution of Security Trades. Investment manager is expected to transact securities in a manner designed to receive a combination of best price and execution. Each investment manager will be held responsible and accountable to achieve the stated objectives. While it is not believed that the limitations will hamper any investment manager, the investment manager should request modifications deemed appropriate.
- (6) Custodians. Custodians will maintain physical possession of securities held in the portfolio, settle transactions, collect dividend and interest payments, redeem maturing securities, and effect receipt and delivery following purchases and sales. Custodians shall perform regular accounting of all assets owned, purchased, or sold, as well as movement of assets into and out of the college's portfolio accounts. Custodians are responsible for providing monthly statements to the college and investment advisor. Access to online balances and statements should be made available.
- (E) Portfolio Segmentation. The college will forecast and monitor its short-, mid-, and long-term operating cash needs as guided by the college's annual budget, facility and capital projects, and strategic plans. The investment portfolio will be divided into three segments:
- (1) Short-Term Segment. The emphasis is on ensuring sufficient liquidity to meet operating needs. All cash and equivalent investments should be made with concern for quality and liquidity and have maturity dates of one year or less. High return is desirable, but the highest possible investment return should be sacrificed where quality is considered questionable.
 - (2) Mid-Term Segment. The objective is to earn higher returns than cash equivalents through fixed-income investments, with maturity dates or average durations generally of five years or less. However, investments within this segment may also be structured to coincide with the projected timing of major facility construction and renovation projects and other potential payments or resource needs in an intermediate timeframe, which may result in holdings with maturities of greater than five years.
 - (3) Long-Term Segment. The objective is to earn the highest possible returns while adhering to a prudent level of risk. These investments have a time horizon greater than five years. It is understood that this segment may be subject to a greater level of volatility in exchange for higher long-term returns. While negative performance returns may occur periodically (i.e., principal value will fluctuate), over longer time periods, the Board seeks to earn a rate, to be determined from time to time, above the rate of inflation as measured by the



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consumer price index (CPI), with the preservation of principal still being the primary objective.

Short-Term Segment	Mid-Term Segment	Long-Term Segment
Investment Horizon: <1 Year	Investment Horizon: 1-5 Years	Investment Horizon: >5 Years
Purpose: Short-term cash needs, operational, payroll, AP	Purpose: Intermediate cash needs, capital projects, and unexpected short-term needs	Purpose: Long-term growth, quasi-endowment, funding for potential future strategic opportunities
Asset Allocation/Investment Types: Star Ohio and cash equivalents	Asset Allocation/Investment Types: Investment grade bonds	Asset Allocation/Investment Types: Balanced portfolio with asset allocation parameters

(F) Allocating Between Segments. The committee has the discretion to move investments into and out of the segments and may reinvest income within the segment in which it was earned, or allocate it to another segment. Periodically during the fiscal year, the treasurer will propose appropriate reallocations based on revenue receipts, projected spending needs, and information provided by short-, mid-, and long-term operating and capital planning. Reallocations of investments and investment income are subject to annual review by the board.

(G) Long-Term Segment. As set forth by Ohio Revised Code, the college will maintain, at a minimum, 25% of the average amount of the investment portfolio over the course of the previous fiscal year to be invested in cash equivalents and fixed income instruments as defined. The remaining portion may be invested into the long-term segment and invested in accordance with section 1715.52 of the Revised Code. As the name suggests, the monies in the long-term segment will be invested with a long-term time horizon and will be left to appreciate over time as a quasi-endowment to serve as a source of funding, for future strategic opportunities, and in general for the future benefit of the college. Should an event arise where a distribution from this fund would be necessary, a recommendation must be made by the committee and approved by the board. Monies in the long-term segment will be reviewed collectively with the entire portfolio to ensure the college's portfolio, in the aggregate, is in compliance with Ohio Revised Code.

(H) Performance Expectations. The college will regularly review the performance of the benchmark indices to determine if the expectations for the asset classes utilized are



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reasonable, considering actual investment experience (the committee is responsible for reviewing the investment experience). Performance results will be measured in three ways over a full business cycle, generally seven to ten years:

- (1) The overall investment objective (spending policy + inflation).
 - (2) A blended benchmark of market indices based on the strategic asset allocation of the portfolio.
 - (3) The portfolio will be compared to portfolios of similar-sized peers, if applicable.
- (I) Diversification & Asset Class Purpose. The total portfolio will be constructed and maintained to provide prudent diversification regarding investment managers, styles, regions, sectors, and number of holdings. Asset classes, or broad segments of the portfolio, serve varying purposes, as described below:
- (1) The purpose of the growth assets allocation is to provide a total return that will simultaneously provide for growth in principal and current income sufficient to support the portfolio, while at the same time preserving the purchasing power of the Portfolio's assets. It is recognized that the growth assets allocation entails the assumption of greater market variability and risk.
 - (2) The purpose of the diversifying assets allocation is to provide diversification and risk reduction, while enhancing the overall risk-adjusted performance.
 - (3) The purpose of the income & liquidity allocation is to provide a deflation hedge, to reduce the overall volatility, and to produce current income in support of the needs of the Portfolio.
 - (4) The purpose of the cash allocation is to provide liquidity for short-term obligations. All cash and equivalent investments should be made with concern for quality. High return is desirable, but the highest possible investment return should be sacrificed where quality is considered questionable.

(J) Asset Allocation Guidelines.

Asset Class*	Target Allocation	Allowable Range
Growth Assets	60%	50% - 70%
U.S. Equity	40%	
Global Equity	20%	



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Diversifying Assets	10%	0% - 25%
Income & Liquidity	30%	22% - 42%
Total	100%	

(K) Permissible Investments for the Long-Term Segment. The portfolio may be invested in the types of investments listed in the chart below. Mutual funds are bound to their prospectus guidelines and not this policy.

Growth Assets	Diversifying Assets
Common stocks	Real estate investment trusts (REITs)
Convertible preferred stocks	Tactical asset allocation strategies
American depository receipts (ADRs) of non-U.S. companies	Absolute return strategies
Stocks of non-U.S. companies (Ordinary shares)	Long-short equity and fixed income strategies
Equity mutual funds and exchange-traded funds	Mutual funds and exchange-traded funds

Income & Liquidity Assets	Cash Equivalents
U.S. government and agency securities	Treasury bills
Municipal bonds	Commercial paper
Corporate notes and bonds	Banker's acceptances
Mortgage-backed bonds	Repurchase agreements
Preferred stock	Certificates of deposit
Fixed income securities of foreign governments and corporations	Deposit accounts
Private debt strategies	Money market mutual funds and exchange-traded funds



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Fixed-income mutual funds and ex- change-traded funds	
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(L) Prohibited Investments/Activities. It is not possible to provide a complete listing of the investments and investing activities that are considered inappropriate. However, for example, the college may not:

- (1) Make an investment decision with the primary purpose of influencing any social or environmental policy or attempting to influence the governance of any corporation. ORC 3345.161.
- (2) Contract to sell securities that have not yet been acquired on the speculation that prices will decline (i.e., short sales);
- (3) Enter into reverse repurchase agreements;
- (4) Leverage current investments as collateral to purchase other assets;
- (5) Purchase individual securities denominated in foreign (non-U.S. dollar) currencies;
- (6) Make any investment in "derivatives" as defined in the Ohio Revised Code section 135.14(C);
 - (a) Purchase mortgage pass-through securities, collateralized mortgage obligations including interest-only and principal-only securities;
 - (b) Borrow funds to invest in higher-yielding securities in an attempt to increase the overall Portfolio return; or
 - (c) Purchase illiquid securities or illiquid investment partnerships.

(M) Removal of an investment manager. The following are general guidelines which may give reason to remove an investment manager:

- (1) Failure to comply with the specific investment mandate, as delineated in writing by the committee;
- (2) Underperformance relative to relevant benchmarks or peer groups, with an emphasis on long-term (three- and five-year) rolling time periods;
- (3) Significant qualitative changes to the investment management organization.



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Each investment manager shall be reviewed ongoing in regards to performance, personnel, strategy, research capabilities, organizational and business matters, and other qualitative factors that may impact its ability to achieve the desired investment results. If the investment manager has failed to adhere to one or more of the above conditions, it is reasonable to presume a lack of adherence going forward. Any decision to remove an investment manager will be treated on an individual basis, and will not be made solely based on quantitative data. In addition to those above, other factors may include professional or client turnover, or material change to investment processes. Considerable judgment must be exercised in the removal decision process.

- (N) Safekeeping; Purchase/Sale/Transfer Authority. Individual securities in the college's investment portfolio will be kept safe in insured accounts maintained with banks and independent broker/dealers. The treasurer will retain sole authority to transfer funds or securities (except for transactions that occur within a mutual fund in which the college owns shares). Neither signature nor wire transfer authority will be extended to an investment advisor, manager, or custodian bank or broker/dealer. No signature or wire transfer authority will be extended to an investment advisor, manager, custodian bank, or broker/dealer.
- (O) Ethics and Conflict of Interest. The board of trustees and college conflict of interest policies shall be adhered to by all individuals involved in the investment process. To summarize: It is the policy of the college that relationships and transactions with individuals and organizations outside the college are to be conducted at all times on a highly ethical and arms-length basis. To this end, the prime consideration must be the best interests of the college. Decisions regarding investment relationships and transactions must not be influenced by self-interest on the part of a trustee, college officer, employee, investment advisor or investment manager, if there is an actual or potential conflict with the interests of the college. Each person involved in the investment process must disclose personal interests or investments that could be affected by investment decisions made for the college. Anyone outside the college serving on the committee shall file with the Ohio Ethics Commission the same financial disclosure statement as is required to be filed by all Trustees and college employees. Such financial disclosure statements shall be filed at the same time the financial disclosure statements of Trustees and college employees are filed. In addition to the trustee and college conflict of interest policies, trustees, officers and employees are subject to Ohio Ethics Law (ORC Chapter 102 & Sections 2921.42 and 2921.43).
- (P) Internal Controls. The treasurer will designate one or more finance staff to be responsible for ensuring that all transactions and documentation pertinent to the execution and confirmation of purchases, settlements, redemptions, maturities and



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sales are completed; for instructing banks, brokers, dealers and safekeeping agents with respect to arrangements for payment or collection of monies resulting from such transactions; and for the maintenance of all necessary records and reports.

- (Q) Treasurer Education. The treasurer will participate in beginning and/or continuing education training programs sponsored by the state treasurer or the state auditor, as required pursuant to Ohio Revised Code Section 135.22. Through participation in educational programs, the treasurer will develop and enhance background and working knowledge in investment cash management and ethics.
- (R) Effective Date and Policy Implementation. The effective date of this policy is April 8, 2026.

Investments held by the college as of the effective date of this policy should be liquidated only if the committee deems liquidation prudent and not solely to immediately comply with the policies contained herein. Such investments will need to be sold or allowed to mature based on ongoing analysis and direction of the committee.