



Jackson College Board of Trustees

Monitoring Report: EL – 06 Investments

[FULL COMPLIANCE]

Note: Board Policy is indicated in bold typeface throughout the report.

I present this monitoring report to the Jackson College Board of Trustees which addresses the Board's Policy EL-06: "Investments". I certify that the information contained herein is true and represents compliance, within a reasonable interpretation of the established policy, unless specifically stated otherwise below. Please note that all of my interpretations of the policy remain unchanged from the previous report, unless otherwise noted.

A handwritten signature in black ink, appearing to read "Daniel J. Phelan".

05.11.26

Daniel J. Phelan, Ph.D.
President and CEO

Date

POLICY STATEMENT:

The CEO shall not permit investments that are inconsistent with federal, state, or local laws, nor to be managed in a way that is inconsistent with the primary investment objectives of capital preservation and reasonable growth.

Further, without limiting the scope of the above statement by the following list, the CEO shall not:

- 1. Permit investments, or other alternatives for generating a return on cash, to be managed without the active involvement of well-qualified investment advisors with a proven track record, who are independent of any investment fund.**

INTERPRETATION:

I have interpreted that compliance will be demonstrated when:

- a) The College has an appointed Asset Management Administrator, who can also provide a knowledgeable custodian for the College's funds.
- b) The College utilizes well-qualified investment advisors who make the securities purchases, who are also independent of any

investment fund.

This interpretation is reasonable because the investment of the College's available funds are achieved by a bonded, legally accountable trust administrator, and secondary fund custodian. Further such investment recommendations are acted upon, based upon recommendations of an independent securities advisor.

EVIDENCE:

- a) The College VP, Student Achievement & Financial Services confirmed on 05.04.26 that Comerica's securities team, including Financial Advisors Kyle Rademaker and Chris Theut, possess extensive experience serving public funds investment clients. The VP confirmed that the Michigan Liquid Asset Fund Plus (MILAF+) program provides active involvement of well-qualified investment advisors who are independent of any investment fund and serves as a knowledgeable custodian for the College's invested funds.
- b) The College VP, Student Achievement & Financial Services confirmed on 05.04.26 that neither Comerica's securities team nor its Financial Advisors participate in any form of soft-dollar arrangements with approved fund companies or investment providers, and that the College continues to utilize the MILAF+ investment fund.

1.1. Permit the advisor to take title to any assets.

INTERPRETATION:

I have interpreted that compliance will be demonstrated when:

- a) The College has engaged the use of a fund advisor, who is not also the fund custodian;
- b) The funds held by the asset custodian, and security purchases made by investment advisor, are held in the Colleges name only.

This interpretation is reasonable because of the way and structure of how the investments are managed.

EVIDENCE:

- a) The College VP, Student Achievement & Financial Services confirmed on 05.04.26 that Comerica's securities team utilizes Ameriprise Financial as its custodian, which is responsible for holding assets on behalf of clients. The VP further confirmed with MILAF+ that the College engages the use of a fund advisor who is not also the fund custodian.
- b) The VP, Student Achievement & Financial Services confirmed on 05.04.26 that the College's account holdings with Comerica's securities are maintained in segregated accounts on the College's behalf. The VP further confirmed with MILAF+ that all funds held by the asset custodian,

and all securities purchased by the investment advisor, are held in the College's name only.

1.2. Permit the advisor to withdraw any funds from the accounts except to cover payment of previously agreed-to fees, or at the specific direction of the College's Chief Financial Officer or President.

INTERPRETATION:

I have interpreted that compliance will be demonstrated when:

- a) Fees are specified in the agreements of the engaged financial and asset management organizations.

This interpretation is reasonable because the way the fees are structured, the available reporting, and that the agreements are legally binding instruments between the College and the third-party organizations.

EVIDENCE:

- a) The VP, Student Achievement & Financial Services confirmed on 05.04.26 that the College's account with Comerica Securities is a transactional, non-advisory account and, as such, does not include active management fees. The VP further confirmed with MILAF+ that the College is invested in the MILAF+ fund, and that all applicable fees are fully disclosed in the MILAF+ Information Statement, with no fees charged outside of the fund.

2. Permit investments that are insufficiently liquid to meet the organization's anticipated expenditures without incurring penalties.

INTERPRETATION:

I have interpreted that compliance will be demonstrated when:

- a) Investment maturity dates are structured to mature at times that meet cash flow needs of the College based upon a planned schedule; and
- b) The actual interest-based revenue return matches the anticipated return without penalties for withdrawal.

This interpretation is reasonable because it maximizes the return on the investment and is compliant with the Community College Act.

EVIDENCE:

- a) The VP, Student Achievement & Financial Services confirmed on 05.04.26 that the maturity dates on investments are structured to mature at times that meet the College's anticipated cash flow needs.
- b) The VP, Student Achievement & Financial Services confirmed on 05.04.26 that the College's account with Comerica's securities is a transactional brokerage account, and as such,

does not include a stated or guaranteed rate of return. The VP further confirmed that investments held through MILAF+ are not subject to penalties for withdrawal.

- 3. Permit the investment of cash accounts (or operating capital) in anything other than what is defined in the Community College Act section 389.142 as being permitted by a Michigan community college.**

INTERPRETATION:

I have interpreted that compliance will be demonstrated when:

The College's participation in investment activities is done via an investment pool composed entirely of investment instruments that are legal for direct investment by a community college and or purchased from a securities organization who only offers Jackson College legal direct investments by a community college.

This interpretation is reasonable because Michigan state law defines what is permissible for a community college investments.

EVIDENCE:

The VP, Student Achievement & Financial Services confirmed on 05.04.26 that Comerica's securities team, including Financial Advisors Kyle Rademaker and Chris Theut, ensure that investments offered to the College are compliant with applicable State investment statutes and the College's specific investment policy. The VP further confirmed with the MILAF+ that all investments available through the program meet the legal investment requirements applicable to Michigan community colleges.

The Jackson College Board of Trustees assessed this monitoring report and found that it demonstrated full compliance with a reasonable interpretation of the policy at the regular Jackson College Board meeting on May 11, 2026.