

Sound Smart

Investment Requirements and the Public Funds Investment Act

Standard of Care

Priority of Investment Objectives

1. Preservation and Safety of Principal
2. Liquidity
3. Yield

Determining Prudence

1. All Funds vs. Single Investment
2. Consistent with Investment Policy



Investment Policy

1. Written
2. Emphasizes Safety of Principal and Liquidity
3. Addresses Diversification, Yield, Maturity, and the Quality and Capability of Investment Management

Investment Policy (Continued)

Must Include

Authorized Investments

Maximum Allowable Stated Maturity

Maximum Dollar-Weighted Average
Maturity

Methods to Monitor Market Price

DVP Settlement

Procedures to Monitor Rating Changes

Separate Investment Strategies



Investment Strategies

1. Suitability
2. Preservation and Safety of Principal
3. Liquidity/Marketability
4. Diversification
5. Yield

Potential Investment Strategies

Liability Matching

Laddered Maturities

Barbell Investing

Discount Bond Investing

Premium Bond Investing

Best Value



Investment Officer(s)

1. One or More Officers/Employees
2. Disclosures?

Investment Training

1. 10 Hours: First 12 Months
2. 10 Hours: Every 2 Years
3. Exceptions

Authorized Investments

Obligations of, or Guaranteed by,
Governmental Entities

Certificates of Deposit and Share
Certificates

Repurchase Agreements

Securities Lending Program

Commercial Paper

Mutual Funds

Investment Pools



Internal Management Reports

Prepared by All Investment Officers

Signed by All Investment Officers

Beginning Market Value, Ending Market Value, Fully Accrued Interest

Book Value and Market Value of Each Separately Invested Asset

Maturity Date of Each Separately Invested Asset

Account/Fund/Pooled Fund Group

Compliance with Strategy, Policy, and Code

Quarterly/Annually



Selection of Authorized Brokers

1. Review
2. Revise
3. Adopt

Miscellany

- Ratings of Certain Investment Pools
- Effect of Loss of Required Rating





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Important Disclosures



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