1. **Policy Objective**
   1. To set forth the City's policy regarding the cash and investment activities of all City funds under the jurisdiction of the City.
   2. To provide the guidance necessary to comply with all State, Federal, and City regulations pertaining to the management, control, and safeguarding of the City's cash and investments.

2. **Policy Details**
   1. **Authorized Investments**
      a. Chief Financial Officer/City Treasurer will comply with all investment regulations as authorized under:
         i. State Code Section: [50-1013](#)
         ii. State Code Section: [50-208](#)
         iii. State Code Section: [57-107](#)
         iv. State Code Section: [57-127](#)
         v. City Code Section: [1-88](#)
         vi. GASB 40
      b. City will not invest in individual stock, will not speculate, and will not deal in futures or options.
   2. **Investment Reporting**
      a. Chief Financial Officer/City Treasurer will be responsible for reporting to the City Council on a monthly basis following State of Idaho Code [50-208](#) the total balance of all the investments held by the City.
   3. **Investment Objectives**
      a. The primary objective of the Finance department is to safeguard City funds while providing adequate liquidity to meet the City's ongoing operating needs.
      b. The investment objectives, in order of priority, shall be as follows:
         i. **Safety**
            1) Chief Financial Officer/City Treasurer will be responsible for establishing an investment approach that is structured to preserve the capital in the portfolio and mitigate risk.
            2) Chief Financial Officer/City Treasurer shall require, to the extent possible, that all investments be identified as to City ownership and held in the City's name.
            3) All participants in the City's investment process shall seek to act responsibly as custodians of the public trust.
               a) Chief Financial Officer/City Treasurer shall avoid any transaction that might impair public confidence in the City's ability to govern effectively.
         ii. **Liquidity**
            1) Chief Financial Officer/City Treasurer will be responsible for managing the investment portfolio that will allow for the portfolio to remain sufficiently liquid to meet all operating requirements of the City.
               a) In addition to meeting anticipated daily needs of the City, an amount of the portfolio will be available in investments vehicles that offer day-of liquidity for unanticipated operating needs.
            iii. **Yield**
               1) Chief Financial Officer/City Treasurer shall be responsible for managing the investment portfolio in a way that will be designed to obtain the highest yield possible under the constraints of safety, liquidity, and State regulations.
                  a) Return on investment is of secondary importance compared to the Safety and Liquidity objectives described above.
4. **Investment Internal Controls**
   a. Chief Financial Officer/City Treasurer will be responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the City are protected from loss, theft, or misuse.
   b. Employee retirement funds and any employee deferred compensation plans are specifically excluded from this policy.
   c. Any investment advisor contracted by the City to purchase investments shall be bound by the provisions of this policy.

5. **Ethics and Conflicts of Interest**
   a. Employees, officials, and contractors involved in the investment process must refrain from personal business activity that could conflict with the proper management of the investment program or create an actual or perceived impairment of ability to make sound investment decisions.
   b. Employees, officials, and contractors shall disclose any personal financial or investment positions that could be related to the performance of the investment portfolio.
   c. Employees and officials shall refrain from undertaking personal investment transactions with the same individual with whom business is conducted on behalf of the City.

6. **Safekeeping of Securities and Collateral**
   a. Chief Financial Officer/City Treasurer will be responsible for minimizing the investment risk by requiring all City cash deposits residing in a financial banking institution be protected by deposit insurance, bonds, or pledged collateral.

7. **Authorized Financial Institutions, Depositories, and Brokers/Dealers**
   a. All brokers and dealers doing business with the City must be registered with the state of Idaho department of finance, and must adhere to securities and exchanges commission rule 15C3-1 (uniform net capital rule).
   b. Non-bank broker/dealer firms and the individuals handling the City's account must be registered with the National Association of Securities Dealers (NASD).

3. **Policy Roles and Responsibilities**
   1. Chief Financial Officer/City Treasurer is responsible for complying with all State, Federal, and City regulations as it relates to investments.
   2. Chief Financial Officer/City Treasurer is responsible for all reporting requirements to the City and State as it relates to investments.
   3. Chief Financial Officer/City Treasurer is responsible for the development and management of investment procedures and internal controls.
   4. Only the Chief Financial Officer/City Treasurer is authorized for the hiring and firing of an investment advisor to manage the City's money's following City procurement policy and procedures.
   5. City Council delegates investment management to the Chief Financial Officer/City Treasurer.
   6. Chief Financial Officer/City Treasurer or City Controller will be responsible for updating all financial signature cards for the City at all financial institutions.

4. **General Purpose Statement**
The City of Meridian (City) has an important responsibility to its citizens to carefully account for public funds, manage municipal finances wisely and transparently, manage growth, plan for adequate funding necessary for future maintenance, and development within the City.

The financial management policies of the City are designed to establish guidelines for the fiscal stability of the City. The scope of the financial management policies of the City generally spans, among other issues, accounting, auditing, financial reporting, internal controls, operating and capital budgeting, revenue management, cash and investment management, expenditure control, asset management, procurement, and debt management, in order to:

a. demonstrate to the citizens of Meridian, the investment community, and community
partners that the City is committed to a strong fiscal operation;
b. provide precedents for future policy-makers and financial managers on common financial
goals and strategies;
c. present fairly, transparently, and with full disclosure the financial position and results of the
financial operations of the City in conformity to Generally Accepted Accounting Principles
(GAAP); and
d. determine and demonstrate compliance with finance-related legal and contractual issues in
accordance with provisions of the State of Idaho Government Code and other pertinent
legal documents and mandates.

5. Policy Approval
   Approval Date - 12/20/2019
   Ordinance Number - 19-1866

   Governance Body: Finance Department - Chief Financial Officer/City Treasurer