



PIMA COUNTY, ARIZONA BOARD OF SUPERVISORS POLICY

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OFFICE AND DEPARTMENT RESPONSIBLE: Treasurer & Finance Department

SCOPE

This investment policy applies to activities of the County with regard to investing the financial assets of Pima County.

OBJECTIVE

Funds of the County will be invested in accordance with Arizona Revised Statutes §35-321 et seq and these written administrative policies.

Pima County's investment portfolio shall be actively managed to attain a market rate of return throughout budgetary and economic cycles while preserving and protecting capital in the overall portfolio. The priority ranking of the investment objectives shall be:

(1) Safety, (2) Liquidity, and (3) Yield, and as such, the selection of investments shall be governed by the principals of SLY whereby:

- Safety is paramount
- Liquidity is mandatory
- Yield will be earned after the above criteria are met.

Investments shall be made based on statutory constraints and subject to available designated staffing capabilities.

DELEGATION OF AUTHORITY

The Board of Deposit shall be responsible for the establishment and direction of the investment policy. The Treasurer shall establish written procedures for the operation of the investment program consistent with this investment policy. These procedures will include explicit delegation of authority to persons responsible for investment transactions.

The Board of Deposit will be responsible for all transactions undertaken. The Treasurer will develop a system of controls to regulate the activities of subordinate officials.

PRUDENCE

All authorized personnel shall be governed by the "Prudent Investor Rule." This rule states, "Investments shall be made with judgment and care, under circumstances then prevailing, which persons of prudence, discretion and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the probable safety of their capital as well as the probable income to be derived."



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ETHICS AND CONFLICTS OF INTEREST

Investment officials and employees will refrain from personal business activity that could conflict with proper execution of the investment program, or which could impair their ability to make impartial investment decisions.

REPORTING

The authorized investment personnel shall prepare for the Board of Deposit, the County Treasurer, and the Finance Director a quarterly status report on the performance of, and the investments in, the portfolio. If deemed necessary, a formal presentation will be arranged.

INSTRUMENTS

All eligible funds shall be invested in accordance with A.R.S. §35-321 et seq.

SAFEKEEPING AND CUSTODY

All investments shall be secured through third-party custody and safekeeping procedures with an institution designated as primary agent. The primary agent shall issue a safekeeping receipt listing the specific instrument, the interest rate, the maturity, the CUSIP number, and other pertinent information.

All authorized personnel shall be adequately bonded.

PERFORMANCE EVALUATION AND OPERATIONS AUDIT

The quarterly status reports submitted to the County Treasurer shall contain sufficient information to permit an independent organization to evaluate the performance of the investment program. Each year, the Auditor General will be requested to evaluate the investment performance and conduct an operations audit.

SUNSET PROVISION

This policy will expire on April 1, 1995 unless extended.

July 21, 1992