



GFOA COMMITTEES

The Treasury and Investment Management Committee

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Because treasury and investment management are major responsibilities of government finance officials, GFOA's Treasury and Investment Management Committee (TIM) tracks new developments in treasury management and investment practices and develops Best Practices and resources for government finance professionals and officials at all levels. The committee aims to help these government officials meet their objectives of operating a robust and all-encompassing government treasury office.

Over the past year, the committee has been working to develop additional resources to accompany best practices related to treasury management and investing that are intended to help state and local government finance

officers and their entity's treasury operations. In addition to our planned work, the COVID-19 pandemic brought a host of new issues for the committee to tackle. From developing remote work strategies for essential treasury functions to shifting investment goals based on changes in the market, the committee provided communications to members and created documents to help governments make successful plans.

Key areas that the committee has addressed over the past year include payables in the treasury office, receivables in the treasury office, cash flow forecasting, hiring investment professionals, and using purchasing cards.

Receivables. The committee combined the key tenets of numerous best practices related to receivables

into one, *Receivables and Handling Receipts in the Treasury Office*. This Best Practice includes the all the overarching policies and procedures related to all receivables functions. Subsequent resources that provide additional details on specific types of receivables (e.g., payment cards, check processing) are also available to help state and local governments develop appropriate programs for their entities in these areas.

Payables. The committee also combined all of the key areas of outstanding best practices related to the payables functions and created a new Best Practice: *Payments Made by Governments*. Accompanying resources are being developed to help governments streamline processes and utilize technology solutions to help with the payables function of the treasury office.

Using Purchasing Cards (P-Cards). The committee updated its *Purchasing Card* Best Practice to provide a more streamlined overview of the benefits of using P-Cards. It will be released soon, pending approval by GFOA's Executive Board, along with a companion resource that takes a deeper dive into the topic and focuses on helping governments develop an appropriate

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P-Card program. A two-page issue brief highlighting the benefits of using P-Cards was published this summer.

Cash Flow Forecasting. Last fall, the committee updated its Best Practice on cash flow forecasting, now titled *Using Cash Forecasts for Treasury and Operations Liquidity*. The document now focuses on the key principles related to cash forecasting and provides a better outline for governments to use when developing necessary cash flow forecasting for general and specific governmental funds and ensuring that liquidity needs can be met. This spring, GFOA held a webinar on cash flow forecasting in the time of COVID-19, including sample templates that GFOA members can use with their cash flow forecasting.

Public Deposits. TIM also updated *Collateralization of Public Deposits*, the most frequently accessed treasury Best Practice. The new version streamlines the information presented to make it more useful for our members. One substantive change of note is that governments should set collateralization margin levels at at least 100 percent, or as dictated by state statute.

Selecting Broker-Dealers and Investment Advisors. The committee has also taken the best practices related to hiring and managing broker-dealers and investment advisers and made them into resources to accompany the *Investment Policy* Best Practice. These resources include additional information about the types of services that each of these professionals provide, the duties they have to governmental entities, and how best to select these professionals and maintain a positive working relationship.

Over the next few months, the committee plans to add additional resources to accompany its suite of best practices, including a robust *Fraud Prevention in the Treasury Office* resource. TIM will also continue to develop guidance in treasury areas to help state and local governments through these unprecedented times of COVID-19 crisis. Information about new and updated documents will be relayed in the GFOA newsletter. 📧

TIM RESOURCES

- TIM's Best Practices are available at gfoa.org/best-practices
- Sample templates and information from GFOA's Cash Flow Forecasting in the Time of COVID session are available at gfoa.org/materials/managing-cash-flow-in-a-crisis-how-to-quickly-build
- TIM's two-page issue brief highlighting the benefits of using P-Cards is available on gfoa.org.