

Your Government Investment Portfolio Performance Measurement Scorecard




Time Period: _____

Note: This template provides an example format and sample performance measures. This template should be modified to fit your entity’s specific investment portfolio and policy needs.

Governments should also review GFOA’s Best Practice XX, and accompanying Resource prior to completing.






Investment Policy Objectives, in order of priority: Safety, Liquidity, Income





Performance Measure Indicators:

	Use to indicate measures that are aligned with policy objectives and risk constraints.
	Use to indicate measures that require monitoring, and possible future action. Provide a narrative explanation in the notes section.
	Use to indicate corrective action is needed, and provide a narrative explanation in the notes.

Note: Highlight, copy, and paste the appropriate indicator (symbol) to cells adjacent to bolded text if applicable to all the subsequent bullet points. Otherwise, apply indicators to each performance measure as needed. See the first two performance measure sections below for examples.

I. SAFETY

	Performance Measure	Notes
	Permissible (dictated by state and local law, code, or policy):	
	<ul style="list-style-type: none"> • Investment types 	
	<ul style="list-style-type: none"> • Concentration of investments 	
	<ul style="list-style-type: none"> • Durations 	
	Investment policy is followed, which may include:	
	<ul style="list-style-type: none"> • Monitoring credit rating criteria of investments are met 	
	<ul style="list-style-type: none"> • Performing and maintaining credit analyses of investments and potential investments 	
	<ul style="list-style-type: none"> • FDIC insurance and collateralization of bank deposit balances are in place and maintained 	
	<ul style="list-style-type: none"> • Diversification strategy in place to avoid concentration risk 	

	<ul style="list-style-type: none"> Ongoing monitoring of entire portfolio for legal and policy compliance 	
	<ul style="list-style-type: none"> Assessing and following entities' policy and/or code-based risk tolerances 	
	<ul style="list-style-type: none"> Maximum MATURITY and portfolio weighted-average-maturity (WAM) are not exceeded 	
	<ul style="list-style-type: none"> Performing due diligence during the selection of and during engagement of external partners 	
	When managing a portfolio with a third-party investment professional, governments should verify the professional:	
	<ul style="list-style-type: none"> performs scope of responsibilities established by the entity 	
	<ul style="list-style-type: none"> includes tracking and reporting on safety performance measures. 	
	<ul style="list-style-type: none"> adheres to their discretionary or non-discretionary authority as permitted by the entity. 	
	When utilizing investment advisers, monitoring measures include, but may not be limited to:	
	<ul style="list-style-type: none"> Confirming firms and individuals assigned to accounts are registered at the federal, and where needed, state levels. (brokercheck.com) 	
	<ul style="list-style-type: none"> Obtaining written confirmation that advisers know and will abide by entities' investment policies 	
	<ul style="list-style-type: none"> Confirming advisers are adhering to their discretionary or non-discretionary authority as permitted by entities 	
	<ul style="list-style-type: none"> Ensuring advisers are engaging with entities and basing investment decisions on entities' cash flows and liquidity needs 	
	<ul style="list-style-type: none"> Verifying that advisers are performing duties outlined in the scope of services/contract. As noted above, advisers' scope of services should include reporting on all three public investing 	

	measures – safety, liquidity, and return	
	When utilizing dealers, monitoring measures include, but may not be limited to:	
	<ul style="list-style-type: none"> • Confirming firms and individuals assigned to accounts are registered at the federal, and where needed, state levels. (brokercheck.com) 	
	<ul style="list-style-type: none"> • Ensuring entities receive multiple bids or offers for possible investments 	
	<ul style="list-style-type: none"> • Ensuring dealers provide essential trade records 	
	<ul style="list-style-type: none"> • Determining if entities are designated as a “Sophisticated Municipal Market Participant” by the dealer firm, per the government’s decision 	
	Other measures relevant to your government	

II. LIQUIDITY

	Performance Measure	Notes
	Cash flow forecasts that estimate the timing of inflows and outflows are: <ul style="list-style-type: none"> • prepared • regularly reviewed and updated 	
	Minimum liquidity balance (e.g., three months of operating expenses or a target dollar amount after an adjustment for risk mitigation) is maintained	
	Cash flow responsibilities are met <ul style="list-style-type: none"> • Investment maturities match cash flow needs • Avoid sales of investments before maturity to meet cash flow requirements • Validate target level of cash liquidity is maintained 	
	Other measures relevant to your government	

III. INCOME

Performance Measure	Notes
Return calculated over an established period of time	
Benchmark or reference rate is defined and justified for comparison of portfolio return	
Variance analysis between its return and benchmark/reference rate is performed	
Benchmark and/or reference rate selection are reviewed annually	
Other measures relevant to your government	

Notes

In summary, the portfolio is performing according to the:

- legal parameters of state law,
- objectives and guidelines provided by the investment policy, and
- the framework is developed in advance in the investment plan.

Signature

Date