

CANYON COUNTY INVESTMENT POLICY

(PROPOSED DATE 04-14-2026)



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1. Scope

The Canyon County Investment Policy shall apply to all operating funds, bond proceeds and other funds accounted for on the financial statements of Canyon County, unless otherwise provided by law. Each investment shall be made pursuant to this Investment Policy and applicable law.

2. Delegation of Authority

Idaho Title 57, Chapter I, governs the keeping of public funds and provides that the County Treasurer shall deposit and invest money subject to applicable direction from the Board of Commissioners. The County Treasurer and/or those person(s) assigned by the Treasurer are empowered to invest surplus or idle funds as permitted by Idaho Code Section 31-2127, 67-1210, & 67-1210A.



3. Objectives

The County's primary investment objectives, in order of priority, shall be:

1. Safety: Safety of principal is the foremost objective of the investment program. Investments shall be undertaken in a manner that seeks to ensure the preservation of capital in the overall portfolio. The County shall seek to preserve principal by mitigating the two types of risk: credit risk and market risk.
 - a. Credit risk, defined as the risk of loss due to failure of the issuer of a security, shall be mitigated by primarily investing in issuers that carry the direct or implied backing of the U.S. Government (including, but not limited to, the U.S. Treasury & U.S. Government Agencies).
 - b. Market risk, (aka "interest rate risk") defined as market value fluctuations due to overall changes in interest rates shall be mitigated by laddering the portfolio (i.e., spreading out the length of investments). Moreover, it is the County's full intent, at the time of purchase, to hold all investments until maturity to ensure the return of all principal dollars invested. Limited exceptions will be granted for security swaps that would improve the portfolio's yield and/or credit quality.
2. Liquidity: The County's investment portfolio will remain sufficiently liquid to enable the County to meet all operating requirements which might be reasonably anticipated.
3. Return on Investments: While important, *return on investment* is not as high of a priority as *safety of principal*. The County's returns should be commensurate with the investment constraints identified in this Policy and the cash flow characteristics of the portfolio.

4. Authorized and Suitable Investments

Allowable investments, pursuant to Idaho Code are:

- A. Bonds, treasury bills, interest-bearing notes, or other obligations of the United States, or those for which the faith and credit of the United States are pledged for the payment of principal and interest.
- B. General obligation or revenue bonds of this state, or those for which the faith and credit of this state are pledged for the payment of principal and interest.
- C. General obligation or revenue bonds of any county, city, metropolitan water district, municipal utility district, school district or other taxing district of this state.
- D. Notes, bonds, debentures, or other similar obligations issued by the farm credit system or institution forming a part thereof under the Farm Credit Act of 1971



(U.S.C., tit. 12. section 2001-2259) and all acts of congress amendatory thereof or supplementary thereto; in bonds or debentures of the Federal Home Loan Bank Board established under the Federal Home Loan Bank Act (U.S.C., tit. 12. sections 1421-1449); in bonds, debentures and other obligations of the Federal National Mortgage Association established under the National Housing Act (U.S.C., tit. 12, section 1701-1750g) as amended, and in the bonds of any federal home loan bank established under said act and in other obligations issued or guaranteed by agencies or instrumentalities of the government of the state of Idaho or of the United States, including the United States Small Business Administration guaranteed portion of any loan approved by an Idaho banking corporation and by the State Treasurer.

- E. Bonds, notes, or other similar obligations issued by public corporations of the State of Idaho including, but not limited to, the Idaho State Building Authority, the Idaho Housing Authority and the Idaho Water Resource Board.
- F. Repurchase agreements covered by any legal investment for the State of Idaho.
- G. Tax anticipation notes and registered warrants of the State of Idaho.
- H. Tax anticipation bonds or notes and income and revenue anticipation bonds or notes of taxing districts of the State of Idaho.
- I. Time deposit accounts and savings accounts in state depositories including, but not limited to, accounts on which interest or dividends are paid and upon which negotiable orders of withdrawal may be drawn. and similar transaction accounts.
- J. Time deposit accounts and savings accounts of state and federal savings and loan associations located within the geographical boundaries of the state in amounts not to exceed the insurance provided by federal savings and loan insurance corporation including, but not limited to, accounts on which interest or dividends are paid and upon which negotiable orders of withdrawal may be drawn, and similar transaction accounts.
- K. Revenue bonds of institutions of higher education of the State of Idaho.
- L. Share, savings and deposit accounts of state and federal credit unions located within the geographical boundaries of the state in the amounts not to exceed the insurance provided by the national credit union share insurance fund and/or any other authorized deposit guaranty corporations, including, but not limited to, accounts on which interest or dividends are paid and upon which negotiable orders of withdrawal may be drawn, and similar transaction accounts.
- M. Money market funds whose portfolios consist of any allowed investment as specified in this section. The securities held in money market portfolios must be



dollar-denominated, meaning that all principal and interest payments on such a security are payable to security holders in United States dollars.

- N. Idaho State Local Government Investment Pool (LGIP) and Diversified Bond Fund (DBF). May invest in the LGIP and DBF.

The Canyon County Treasurer is further permitted to invest in authorized securities through Canyon County offices or branches, local banks and savings and loan institutions, and nationally recognized reputable brokerage firms.

5. Prohibited Investment Practices

Assets of Canyon County shall not be invested pursuant to the following investment practices:

- A. Trading securities for speculation or the realization of short term trading gains.
- B. A contract providing for the compensation of an agent or fiduciary based upon the performance of the assets invested.

In addition to the prohibited practices above, if a fiduciary or other third party with custody or management of County funds fails to provide records requested by Canyon County within twenty four (24) hours (excluding non-business days), Canyon County may immediately terminate the relationship and withdraw all County funds.

6. Credit Quality and Collateralization

All authorized investments are further subject to the following investment limitations in order to manage risk.

- A. Canyon County will strive to make investments locally as long as the rates remain competitive.
- B. At the time of purchase all applicable financial instruments must have a credit rating of A or better by a nationally recognized statistical rating organization.
- C. All bank deposits must be FDIC insured or collateralized to secure deposits against possible bank failure.

7. Diversification

The County shall diversify the investments within the portfolio to avoid incurring unreasonable risks inherent in over-investing in specific instruments, individual financial institutions, or maturities. To promote diversification, no more than 10% of the portfolio may be invested in the securities of any one issuer, regardless of security type, excluding U.S. Treasuries, U.S. Government Agencies or Instrumentalities, and pooled investments such as the LGIP, money market funds, or local government investment pools.



8. Safekeeping and Custody

Confirmation of all purchases or sales of securities by Canyon County must be held by the Canyon County Treasurer within the Canyon County Treasurer's vault or designated files. If such confirmation of purchase and sale is retained in the vault the Treasurer is authorized to leave the actual securities in the name of Canyon County on account with brokers or correspondent banks. Securities shall be safe kept with a third Party when possible.

9. Ethics and Conflicts of Interest

Officers and employees involved in the investment process shall refrain from personal business activity that conflicts with proper execution of the investment program or impairs their ability to make impartial investment decisions.

10. Investment Policy Review

This investment policy shall be reviewed every three years or more frequently as appropriate.

