

Comparison of Canyon County Investment Policy (2013 Policy vs. Proposed 2026 Policy)

1. Structure and Organization

- **Old Policy (2013):**
 - No table of contents.
 - Sections 1-9 (Scope, Delegations, Objective, Instruments, Prohibited Practices, Credit/Collateralization, Diversification, Safekeeping, Ethics/Conflicts, Review).
- **New Policy (2026):**
 - Clear **Table of Contents** at the beginning.
 - Numbering updated (1-10).
 - Modernized formatting (County seal, headings consistent).

2. Sections with No Substantive Changes

- **Scope:** No changes from the 2013 policy: Continues to apply to all county funds in accordance with applicable law.
- **Delegation of Authority:** No changes from the 2013 policy: Authority remains with the County Treasurer in accordance with Idaho Code.

Why changed: Improves readability, transparency, and accessibility for both staff and auditors.

3. Objectives

- **Old Policy (2013):**
 - Priorities:
 1. Safety of principal
 2. Liquidity
 3. Yield
- **New Policy (2026):**
 - Expanded, more detailed objectives:
 1. Safety remains first (protection of principal; address default/failure risk).
 2. Liquidity tied specifically to payroll and cash flow needs.

3. Yield includes reference to diversification and communication with Commissioners.
4. Explicit mention of **laddering maturities** to mitigate interest rate risk.

Why Changed: Aligns with **best practices** in public fund management; clarifies risk mitigation tools; reflects lessons from interest rate volatility since 2013.

4. Authorized and Suitable Investments

a. Old Policy (2013):

- Followed Idaho Code §67-1210.
- Listed: U.S. Treasuries, municipal bonds, Farm Credit obligations, ID public corp. bonds, repurchase agreements, LGIP, DBF, CDs savings accounts, revenue bonds, money market funds.

• New Policy (2026):

- Still follows Idaho Code, but **language updated** for clarity and modern references.
- Retains all original categories.
- Groups investment types in **alphabetized subsections (A-N)**.
- Stronger emphasis on **federally insured deposits** and **rating standards**.

Why changed: Modernizes language, keeps consistency with **Idaho statutes and evolving market terminology**.

5. Prohibited Practices

• Old Policy (2013):

- Prohibited speculation, short-term trading, and compensation tied to performance.

• New Policy (2026):

- Same prohibitions, but more **clearly worded** and formatted.
- Highlights prohibition against County officials acting as fiduciaries in conflicts of interest.

Why Changed: Provides clarity for staff and external partners; reduces legal/ethical ambiguity.

6. Credit Quality and Collateralization

- **Old Policy (2013):**
 - Investments must be FDIC insured or collateralized; competitive local investing encouraged.
- **New Policy (2026):**
 - Explicit requirement: **Minimum A or better credit rating** from a nationally recognized rating agency.
 - Continues FDIC/collateralization rules.

Why changed: Reflects **post-2008 financial best practices** and ensures investment quality beyond simple FDIC coverage.

7. Diversification

- **Old Policy (2013):**
 - Guidance on staggering maturities; not more than 50% in one issuer/class.
- **New Policy (2026):**
 - Retains limits ($\leq 50\%$ per issuer/class).
 - Expanded language on **avoiding concentration risk** and **portfolio laddering**.
 - Explicit examples: U.S. Treasuries, agencies, LGIP, money market funds.

Why Changed: Strengthens diversification policy and ties directly to Idaho market realities.

8. Safekeeping & Custody

- **Old Policy (2013):**
 - Securities to be held in Counties Treasurer's vault or by third-party safekeeping institution.
- **New Policy (2026):**
 - Retains same principle but **clarifies responsibilities** of Treasurer vs. custodians.
 - Language tightened for modern custodial standards.

Why Changed: Better alignment with **auditing expectations and state guidance.**

9. Ethics and Conflicts of Interest

- **Old Policy (2013):**
 - General statements: staff must avoid conflicts.
- **New Policy (2026):**
 - Expanded language: employees must avoid even the **appearance** of conflict.
 - Clearer standards of conduct and accountability.

Why Changed: Increases public trust, aligns with countywide ethics expectations.

10. Policy Review

- **Old Policy (2013):**
 - Required review every **three years** or more often as needed.
- **New Policy (2026):**
 - Same requirement, but formatting modernized.

Why Changed: Reaffirmation of accountability.

Summary for Commissioners

The new 2026 draft policy:

- Updates **outdated language** and aligned with **Idaho code and best practices**.
- Expands **objectives** to include explicit risk mitigation (interest rate laddering, diversification).
- Requires **minimum credit ratings (A or higher)** to safeguard taxpayer funds.
- Provides **clearer definitions** of prohibited practices and ethical standards.
- Improves **readability** (table of contents, consistent numbering, county seal).

Overall Goal: Strengthen safety, improve transparency, and ensure Canyon County's investments continue to prioritize **security, liquidity, and prudent returns** in today's changing financial environment.

