

**PROCEDURES FOR OPERATION OF THE INVESTMENT POLICY  
CITY OF SARATOGA SPRINGS**

~~July 2012~~ June 2013

The following is a list of procedures the City of Saratoga Springs (City) shall follow to operationalize the investment policy as established by the Commissioner of Finance.

- A. Cash flow statements shall be prepared and updated periodically to enable the Commissioner of Finance to make appropriate decisions regarding types and maturities of investments.
- B. Maintenance of the control system as established by the Commissioner of Finance shall occur.
- C. Maintenance of a database incorporating descriptions and amounts of investments, transaction dates, interest rates, maturities, bond ratings, market prices and related information necessary to manage the portfolio shall occur.
- D. Information shall be added, changed or deleted on a monthly basis and supporting documentation shall be maintained in an appropriate file in the Office of the Commissioner of Finance.
- E. Internal controls as established in the Internal Control Policy shall be followed.
- F. The investment selection process shall utilize competitive quotations or negotiated prices, except in the purchase of government securities at their initial auction.
- G. Each disbursement (and corresponding receipt of securities) or delivery of securities (and corresponding receipt of funds) shall be based upon written authorization. If the authorization is originally given verbally, there shall be written confirmation from the Commissioner of Finance to the custodial bank.
- H. For bank deposits, payment of funds shall only be made upon receipt of collateral or other acceptable form of security. For investments, payment of funds shall only be made upon the delivery of authorized government securities whether such securities are purchased outright.
- I. The process for initiating, reviewing and approving requests to buy and sell investments shall be documented.
- J. Custodial banks must report to the City whenever activity has occurred in the City's custodial account per the Custodial Agreement. The City shall review monthly the bank statements and other documents to ensure the custodial banks have properly reported activity.
- K. Custodial banks must have prior written authorization from the City to transfer obligations and collateral in accordance with the Custodial Agreement.
- L. The City shall confirm monthly both the principal amount and market value of all investments and collateral. The appropriate statements or documents shall be compared monthly to the City's records on a timely basis. Discrepancies shall be resolved immediately. The appropriate statements or documents shall be

retained accordance with the record retention requirements as established by the Records Manager.

- M. The City will prepare a spreadsheet comparing the amount of deposits and investments to the amount of collateral on a monthly basis. Any indication of under collateralization shall be communicated immediately to the bank. The records shall be maintained for audit purposes and in accordance with the record retention requirements as established by the Records Manager.
- N. The Commissioner of Finance shall maintain a record of all investments. The record shall identify the security, the fund held for, place where kept, date of disposition and amount of market value realized and custodian.
- O. All cash management, collateral, investment and custodian documentation shall be retained for audit purposes and in accordance with record retention requirements as established by the Records Manager.
- P. The Commissioner of Finance shall review the investment policies and procedures with the employees responsible for implementing the investment process.
- Q. All transactions shall be made in accordance with State and Local Laws.