



Finance and Administration Committee Agenda Item 3b

May 15, 2018

Item Name: Treasury Management Policy Review

Program: Financial Office

Item Type: Information Consent

Executive Summary

The Treasury Management Policy ("Policy") was last reviewed and approved by the Finance and Administrative Committee ("Committee") in May 2017. Staff conducted an annual review of the Policy and recommend no changes.

Strategic Plan

This agenda item supports the CalPERS 2017-22 Strategic Plan, which is to cultivate a risk-intelligent organization.

Background

The Policy was last reviewed and approved by the Committee in May 2017. The Policy established the purpose, objectives, responsibilities and approach for the Treasury Management Program ("TMP"), which was developed to ensure member benefits and organizational obligation payments are fulfilled without interruption. The Policy indicates the Committee will annually review and approve staff recommendations for changes to the Policy to reflect the changing nature of CalPERS' assets and investment programs, benefit and structural changes and economic conditions.

Analysis

Staff conducted an annual review of the Policy and recommend no changes.

Budget and Fiscal Impacts

Not Applicable

Benefits and Risks

The Policy provides guidelines to ensure the treasury management practices of the enterprise recognize the fiduciary duty owed to members as stated in the CalPERS' Pension Beliefs. The Enterprise Treasury Management Program is important to identify and to mitigate risks early, to avoid future liquidity problems, to strengthen internal controls and to facilitate better decision-making. The Policy sets forth the responsibilities, structure, and approach to ensure the payment of member benefits and organizational obligations are provided without interruption. The Policy provides an integrated oversight structure in maintaining appropriate liquidity coverage, reserve levels for programs and the enterprise, and manages enterprise liquidity risk.

Attachments

Attachment 1 – Treasury Management Policy

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