



## Finance and Administration Committee

# Agenda Item 5d

---

**April 21, 2020**

**Item Name:** Treasury Management Policy

**Program:** Financial Office

**Item Type:** Action Consent

### **Executive Summary**

The Treasury Management Policy ("Policy") was last reviewed and approved by the Finance and Administrative Committee ("Committee") in May 2019. Staff conducted an annual review of the Policy and recommend minor updates which include presenting the Policy to the Committee for review only when changes are needed.

### **Strategic Plan**

This agenda item supports the CalPERS 2017-2022 Strategic Plan, which is to cultivate a risk-intelligent organization.

### **Background**

The Policy was last reviewed and approved by the Committee in May 2019. 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 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 minor updates. Staff recommends continuing the annual staff review of the Policy and reducing the Committee review process from annually to as needed when the Policy requires changes identified by the Enterprise Treasury Team.

### **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 – Current

Attachment 2 – Treasury Management Policy – Current Proposed Changes

Attachment 3 – Treasury Management Policy – Proposed New

---

Michele Nix  
Controller  
Financial Office

---

Michael Cohen  
Chief Financial Officer