TREASURY AND INVESTMENT MANAGEMENT

A. Examination Specifications

Specifications account for 160 of the 175 prescribed examination questions. Item writers are instructed to develop examination items that require application of knowledge or higher cognitive levels.

SECTION A: INVESTING (60)

I. Investing

A. Legal requirements of investing
B. Objectives of investing (e.g., safety, liquidity, yield, prudence)
C. Process of establishing investment policy (including approval process)
D. Investment risks
E. Process of making investments (e.g., competitive bidding, safekeeping, custody, delivery vs. payment)
F. Investment strategies
G. Investment instruments (e.g., U.S. government securities, repurchase agreements, depository instruments, certificates of deposit, bankers’ acceptances, commercial paper, mutual funds, local government investment pools, derivatives)
H. Investment economics (e.g., the yield curve, strategy, monitoring financial markets and interest rates)
I. Relationships with broker/dealers
J. Relationships with investment advisers

III. Collections and concentration

A. Objectives of collections and concentration
B. Methods used to collect and concentrate funds

IV. Disbursements

A. Objectives of disbursements
B. Methods used to disburse funds
C. Fraud prevention (e.g., positive pay)

SECTION B: MANAGING BANKING SERVICES (60)

II. Banking relationship management

A. Depository selection
B. Custodian selection
C. Bank compensation (e.g., compensating balances, direct fees, account analysis statement)
D. Bank safety (e.g., role of federal regulators, factors to evaluate)
E. Insurance and collateralization (e.g., FDIC limits, GASB Statement 3, surety bonds, collateral safekeeping)

SECTION C: GENERAL TREASURY MANAGEMENT (40)

V. Cash management and investments

A. Objectives of cash management and investments
B. Components of the cash management and investments function

VI. Cash flow forecasting

A. Objectives of cash flow forecasting
B. Controls and support in forecasting
C. Types and frequency of forecasts
D. Methodology used to forecast

VII. Short-term borrowing

A. Federal laws and regulations
B. Access to credit markets (e.g., credit ratings, interest rates)
C. Borrowing methods (e.g., direct loans, short-term debt instruments, lines of credit)

VIII. Information and control

A. Cash accounting (e.g., bank and cash reconciliations, treasurers’ reports, and interest allocation)
B. Investment reporting
C. Internal controls
D. Use of technology (including security measures)
Readings from GFOA Publications

- Investing Public Funds, second edition
- Evaluating Internal Controls: A Local Government Manager's Guide
- Banking Services: A Guide for Governments
- An Introduction to Collateralizing Public Deposits for State and Local Governments (2nd Edition)
- An Introduction to Investment Advisers for State and Local Governments (2nd Edition)


Others

- GFOA Sample Investment Policy
- Errata Sheet 2019: Treasury and Investment Management Recommended Readings
- Free on GFOA Website: www.gfoa.org/cpfo and click on GFOA Reading Material