

## **Executive Summary of Changes between 2025/2016 Banking & Investment Policy 8.21**

### **Policy Statement**

- **2025 Policy:** Provides a broader scope for the financial management of the Commission, explicitly mentioning that it applies to all funds under the Commission's responsibility, with exceptions for independently managed funds.
- **2016 Policy:** The language is slightly less detailed but conveys similar intent. It also specifies applicability only to Commission-vested funds.

### **Banking Policies**

- **Designation of Depositories:**
  - Both policies reference **Title 41, Chapter 14A** of the Code of Alabama (SAFE Program) and the requirement for Qualified Public Depositories (QPD) with a physical presence in Baldwin County.
  - **2025 Policy:** Adjusted formatting and added emphasis on eligibility under the SAFE Program.
  - **2016 Policy:** Similar content but uses more general phrasing.
- **Banking Services:**
  - **2025 Policy:** Lists specific examples of banking services (e.g., accounts for deposits/withdrawals, sweep accounts, online banking, direct deposit for payroll).
  - **2016 Policy:** Includes examples but with slightly different phrasing, such as "local accessibility to institution."
- **Evaluation of Banking Services:**
  - **2025 Policy:** Explicitly requires evaluation every three years, with a focus on reducing administrative overhead and resolving issues promptly.
  - **2016 Policy:** Includes re-evaluation every three years but emphasizes accessibility and willingness to resolve problems.

### **Investment Policies**

- **Objectives:**
  - Both policies list the same three objectives: Protection of Principal, Proper Cash Flow, and Optimal Returns.

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- **2025 Policy:** More detailed explanations for each objective, such as market risk considerations for protecting principal and strategies for early liquidation to meet cash flow needs.
- **2016 Policy:** Summarizes these objectives without as much detail.
- **Certificates of Deposit (CDs):**
  - **2025 Policy:** Specifies that CDs must comply with **Alabama Code § 41-14A-3** and are subject to an RFP process for institutions participating in the SAFE Program.
  - **2016 Policy:** References the SAFE Program and RFP process but does not include the specific code reference.
- **Designation of Investment Management:**
  - Both policies delegate investment management to the County Clerk/Treasurer, with authority derived from state statutes, local law, and investment policies.
- **Ethics and Conflict of Interest:**
  - Both policies require compliance with **Title 36, Chapter 25** of the Code of Alabama and mandate Statements of Economic Interest. The **2025 Policy** includes additional details about disclosing material financial interests.
- **Authorized Investments:**
  - Both policies cite **Title 11, Chapter 81, Sections 19 and 21**, outlining permissible investments. The **2025 Policy** further references **Alabama Code § 41-14-30** and the use of CDARS for FDIC-insured investments.
- **Maximum Maturities:**
  - Both policies state that no investment shall exceed three years without prior Commission approval.

### **Procedural Requirement**

- **2025 Policy:** Introduces an annual investment strategy to be established by the Clerk/Treasurer after the passage of the fiscal year budget, with monthly reviews of the portfolio.
- **2016 Policy:** Does not explicitly mention an annual investment strategy or monthly review process.