

# Public Funds Investment Act Training

## Register for PFIA On-Line Classes

### ***Sponsored by the William P. Hobby Center for Public Service at Texas State University***

Public Funds Investment Act (PFIA) training is provided through the auspices of Leita Hart-Fanta. Ms. Hart-Fanta is the PFIA course designer and instructor for the PFIA training courses offered by Texas State University. Ms. Hart-Fanta is a graduate of the University of Texas at Austin. She is a Certified Public Accountant, Certified Government Financial Manager, and Certified Government Audit Professional. She serves on the government conference planning committee the Texas Society of CPAs and is a member of the AICPA, TSCPA, IIA, and AGA. For additional information about Leita Hart-Fanta, go to [Yellowbook-CPE.com](http://Yellowbook-CPE.com).

***Are you tired of traveling to a distant city to satisfy your 10-hour training requirement?***

***Would you like to choose your own curriculum from a menu of choices?***

***Would you like to learn something new and fresh about investments?***

***Then this online course is for you!***

**A portfolio manager taking the course says:**

*"This beats sitting in class for two days. It was convenient. I worked at my pace and time*

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**An investment officer taking the course says:**

*"You have made this a very positive experience and I plan on obtaining my investment credits through your program every year going forward. As you know, governments are strapped for cash and although we must continue to train our staff, we not long have the cash and budget to do so. Thereby, I was delighted to find this option. Attending a seminar requires an overnight stay , therefor not only do we incur the hotel and travel costs, but also lost time working to travel to and from the seminar."*

**Designed with the busy city official in mind.**

This online course is designed to help you comply with the training requirements of the Public Funds Investment Act without having to travel to attend a seminar or conference. All of the instruction can be done at your own pace in your own home or office. All you need to complete the course is access to the internet and a physical mailing address.

You read the books and answer a series of questions online. Once you complete your questions, we send you a certificate of completion. It really is that easy!

## **What does the Public Funds Investment Act require?**

In 2015, the Texas Legislature updated the requirements of the Public Funds Investment Act. The Act ([Chapter 2256, Texas Government Code](#)) governs the investment of public funds in Texas and requires that treasurers, chief financial officers, and investment officers of government entities complete training on topics pertinent to the Act. The required number of credit hours differs based on the type of government entity as follows:

Type of Government Entity	Initial Training	Renewal Training (every 2 years)	Exceptions	2 Year Training Period
Municipalities	10 hours within first 12 months in position	8 hours	No investments outside of Interest Bearing Accts and local CDs – Exempt from renewal training at the discretion of the Entity and the local auditor	Based on Entity’s fiscal year
School Districts	10 hours within first 12 months in position	8 hours		Based on Entity’s fiscal year
Other Local Governments	10 hours within first 12 months in position	10 hours		Based on Entity’s fiscal year
State Agencies and Institutions of	5 hours within first 6	Renewal Training (every 2 years) 5 hours	Exceptions	2 Year Based Training on the Period State

Higher Education	months in position			fiscal biennium
Water Entities (Ch. 36 or 49 only)	6 hours within first 12 months in position	4 hours		Based on Entity's fiscal year

Texas State University provides over a dozen topics to choose from. The topics and a combination of topics – is up to you. We strongly recommend that public officials unfamiliar with the Public Funds Investment Act enroll in the module entitled “The Act.”

## What does the course cost?

4-8 hours	\$200
9 hours	\$270
10 hours	\$300
11 hours	\$330
12 hours	\$360

Note: Due to recent changes in Texas State University accounting procedures, books for Public Funds Investment Act cannot be provided with your course fee. The cost of books is not covered by your course fee. You will need to order and pay for the book directly through Amazon or a bookstore of your choice. Please contact Marilyn Balanoff if you have any questions or need any additional information.

## How can I pay for the course?

Payment may be made by credit card or check. A Purchase Order for payment can be submitted by your organization. When you register for the course work, you are taken to the TouchNet payment site. Follow the instructions for registration and payment. If you have any questions, please contact Marilyn Balanoff at [mb39@txstate.edu](mailto:mb39@txstate.edu).

## How does it work?

Once you have registered for your course and selected your modules, you will receive an automated email from the Canvas System (Canvas learning management system). In the email, you will be instructed how to log on to the Canvas learning management system where you will find instructions on how to complete each module.

You can immediately begin learning modules that are based on on-line documents and videos. Once you have read your assigned documents, simply log back into the system to answer questions about your reading.

The learning management system will give you feedback about the accuracy of your answers to the questions immediately. To earn credit for a learning module, you must answer 70% of the questions correctly.

Once you have completed all of your modules and submitted your honesty statement and evaluation email [Leita@leitahart.com](mailto:Leita@leitahart.com) Shortly after you have submitted your honesty statement and evaluation and sent your email to Leita Hart you will receive an email with an attached Certificate of Completion for your PFIA Training..

## Learning Modules

## **You get to choose your curriculum!**

Choose any combination of modules to add up to the number of hours you need. Your selection is completely up to you.

### **America's Impact on Investments Across the World - 10 hours - 2 Books Required**

Begin this module by reading the hard-copy book Boomerang by best selling author Michael Lewis, which describes how the character of different countries shapes the world economy. Then find out how an American financial powerhouse, Goldman Sachs, shapes the world's economic health in the hard-copy book Money and Power: How Goldman Sachs Came to Rule the World by William D. Cohen.

### **Banking Terminology – 5 hours - Book Required**

In this module, read the rich and interesting hard-copy book, Financial Terms Dictionary: Banking Terminology Explained by Thomas Herold. This practical financial glossary helps you understand common financial terms and is written so you can grasp the context and proper usage of the term without using jargon.

### **Bonds - 5 hours**

In this module, we will cover bond types and bond terminology using two videos and two documents.

### **Cash Flow - 5 hours**

Is your government wise about managing working capital resources? The Public Funds Investment Act seeks to protect the financial resources of governments and universities. But how do entities generate enough excess resources to invest?

The Four Principles of Happy Cash Flow, by Leita Hart-Fanta, CPA, shares ideas for managing working capital and cash so that you generate as much cash as possible in your organization.

### **Cash Reserves and the Detroit Bankruptcy- 5 hours**

Governments set aside cash as a buffer against emergency, but how do you buffer against economic

decline? In this module, consider a worst-case scenario for a government as we examine the Detroit bankruptcy as well as look at reserves planning for a financially stable government. Read three articles, one study, one guideline and watch a video from NBC Nightly News.

### **Common Sense Economics - 8 Hours - Book Required**

What economic forces are at work shaping your investment returns and the safety of your organization's resources? Enjoy the surprisingly entertaining hard-copy book entitled Basic Economics: A Common Sense Guide to the Economy by Thomas Sowell published in 2015. The book is filled with interesting examples and stories making the 625 pages of hard-copy text less daunting.

### **Commercial Paper - 2 hours**

In this module, learn the role of commercial paper in our economy and how the Federal Reserve supported the commercial paper market to prop up the economy during the 2008 and 2020 financial crisis.

### **Credit Ratings - 4 hours**

A government's credit rating impacts the cost of public debt. Who creates these ratings and why was the US credit rating downgraded? In this module, watch three videos and read a few short papers to understand how credit ratings work.

### **Derivatives- 2 Hours**

A derivative contract is often based on the price movement of an underlying asset, such as a stock. Examples of derivatives are futures, forwards, options and swaps. In this module, how to recognize derivatives so that you do not put public funds at risk.

### **Due Diligence – 2 hours**

As an investment officer, you are responsible for prudently investing your organization's extra cash. And there are plenty of folks who would love to control your investments and earn a living from them. In this module, learn simple due diligence procedures that make sure that you and those you serve are not

mislead by slick investment guys in dark suits!

### **Federal Monetary Policy - 4 Hours**

This module explains the role of the Federal Reserve in stabilizing the economy. For this module, you will read two documents and watch several entertaining videos on centralized banking and quantitative easing from Khan Academy.

### **Financial Statement Analysis - 3 hours - Book Required**

In the hard-copy book, Accounting Demystified, Leita Hart-Fanta, CPA leads you through the basics of conducting a financial statement analysis.

### **Fraud – 3 hours**

Learn about fraud prevention and detection. As one of the readings tells us “Fraud is a common risk that should not be ignored. The incidence of fraud is now so common that its occurrence is no longer remarkable, only its scale.”

### **Graphics - 3 Hours- Book Required**

In this module, you will read the hard-copy book Say It With Charts by Gene Zelanzky and learn how to present investment information using user-friendly graphics and tables.

### **Internal Controls - 8 Hours**

How do you help make sure bad things don't happen to your entity's investments? Internal controls!

Wise managers intentionally design controls to protect investment assets. In this module, read a PDF of Standards for Internal Control by Leita Hart-Fanta and three articles from Treasurer Magazine.

### **Investment Policy - 2 hours**

What should your entity's investment policy contain? In this module, review GFOA and treasurer association guidelines so that you create the best investment policy document for your entity. A few actual investment policies are also included for your consideration.



## **Investment Pools – 1 hour**

Investment pools allow governments to rely on investment experts to manage their investments, but no investment manager is infallible. In this short module, read guidance from the National Association of State Auditors, Comptrollers, and Treasurers, read a Reuters article written shortly after the 2008 financial crisis, and explore the Standards and Poor Local Government Investment Pool rating site.

## **Leading Indicators - 5 hours- Book Required**

How did we come by the “leading indicators” we place such stock in? We allocate trillions of dollars and make public policy and personal decisions based upon them, but what do they really tell us? Read the hard-copy book, [The Leading Indicators: A Short History of the Numbers that Rule our World](#) by Zachary Karabell to find answers.

## **Money Market Reform – 5 hours**

After the 2008 financial crisis, the SEC moved to change the regulations regarding money markets.

Read 4 short documents and watch one short video to get an overview of the changes and their impact on investors.

## **Mutual Funds – 3 hours**

In this module you will learn the basics terminology and concepts regarding mutual funds, including a little bit of the history of mutual funds.

## **Power of the Federal Reserve Chairman - 6 hours- Book Required**

In this module, read the hard-copy book, [The Man Who Knew: The Life and Times of Alan Greenspan](#) by Sebastian Mallaby. Alan Greenspan, a master of explaining the economic weather to those in power, was the chairman of the Federal Reserve during the economic crisis of 2008.

## **Risk and Diversification - 2 Hours**

Learn the essential concepts of investment risk and diversification. Watch 3 short videos and read a

guide on asset allocation from the SEC.

### **The ACT – 2 hours**

In this module, review the Public Fund Investment Act legislation and a compliance checklist. This module is recommended for all new investment officers.

### **The Ascent of Money – 10 hours- Book Required**

In this module, you will read a hard-copy of the New York Times Bestseller, *The Ascent of Money*, by Niall Ferguson, to learn the history of money and identify the economic forces that precipitated gigantic government bailouts and upended global markets.

### **The Dark Side of Computer Trading - 5 hours**

In the hard-copy book *Flash Boys*, the #1 New York Times Bestseller by Michael Lewis, learn how traders make profits off of flaws in the computerized systems that make trading so easy.

### **The Impact of Debt - 6 hours- Book Required**

In the international bestselling hard-copy book, *Debt: The First 5000 Years*, David Graeber describes how debt and debt forgiveness have sparked innumerable insurrections and sparked political debates in every great economy for the past 5000 years. Graeber describes how we are still fighting these battles today and shows us how debt impacts the US economy and our investing behavior.

### **The Trigger of the PFIA: Orange County - 2 Hours**

In this policy summary by the Public Policy Institute of California you will learn why the Orange County Bankruptcy happened including legislation that tied elected official's hands and encouraged them to make very risky investments. Then read about how Orange County got out of bankruptcy and about the resulting reforms in California and Texas.

## Frequently Asked Questions

### **What if I choose a module that requires a book?**

The cost of books is not covered by the course fee.

You will need to purchase the book(s) from Amazon or a bookstore of your choosing. The book titles and authors are included in the Module description. To order through Amazon, go to [www.amazon.com](http://www.amazon.com) and enter the name of the book and author, Any questions or additional information needed, please contact Marilyn Balanoff at [mb39@txstate.edu](mailto:mb39@txstate.edu) or 512-422-8955.

### **What is the refund policy?**

Once you register for this course, NO refund will be given. Depending on circumstances, you may be granted an extension of time to complete the course.

### **How long do I have to complete the course?**

You will have six (6) months from the day your password is sent to complete the course.

### **When will I get my certificate of completion?**

Your certificate will be delivered via email within a few days after you email [Leita@leitahart.com](mailto:Leita@leitahart.com) and inform her that you have completed the course.

### **Who can I contact to ask questions?**

At any time during your studies, you may contact Leita Hart, the curriculum designer, at [Leita@leitahart.com](mailto:Leita@leitahart.com)

If you have questions on the process and/or procedures for the course, contact Marilyn Balanoff ([mb39@txstate.edu](mailto:mb39@txstate.edu) Phone: 512-422-8955) or Jeff Fanta ( [Jeff@yellowbook-cpe.com](mailto:Jeff@yellowbook-cpe.com)

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## Does this course qualify for CPE for CPAs?

This self-study course does NOT qualify for CPE credit for CPAs as it does not meet Texas State Board of Public Accountancy rules nor National Association of State Boards of Public Accountancy rules regarding self-study courses.

## How do I register?

Please proceed to our Marketplace to register and select payment option. If you have any questions, please contact Marilyn Ballanoff at [mb39@txstate.edu](mailto:mb39@txstate.edu). We will contact you via email with further instructions once we receive your registration. If your modules are based on hardcopy books, you can expect delivery at your home or office within two weeks. Please note, if you select to be invoiced, payment is due within 30 days of your order.

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