



OBJECTIVE

The recommendations presented here are designed to support the following objectives:

- Preservation of principal and purchasing power, including meeting or exceeding state requirements.
- Maximize return of a valuable asset without jeopardizing safety of public funds.
- Alignment with university academic and financial goals.

POLICY

Applies to: All university personnel responsible for the management of the Operating Fund.
Issued: 6/5/2008
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- I. Short -Term Operating Fund – the Short and Intermediate Term Pools should be invested primarily in lower risk, more liquid instruments such as government securities and maintain a balance equivalent to at least 60 days operating cash. Once this threshold is reached, the senior vice president for business and finance will have the authority to approve investment of up to 60% of the operating funds, net of construction bond funds, in the Long-Term Investment Pool.
- II. Long -Term Pool – once the amount of the Short-Term Pool is determined, excess operating funds may be transferred to the Long-Term Investment Pool, where they will be invested along with gifted endowment funds. In no case may the Long-Term Pool exceed 60% of the total operating funds, net of construction bond funds.
- III. Long-Term Operating Fund – in order to increase the support available to the University from the Long-Term Investment Pool, the annual distribution and realized or unrealized appreciation, and principal if necessary, shall be used to first fund the University's investment income account. This amount would be the equivalent of the income earned if this fund had remained invested as part of the Short and Intermediate-Term Pools. Then funds up to 5% of the sum of the excess distribution and the June 30 market value can be used at the discretion of the unanimous approval of the president, the provost and the chief financial officer and senior vice president for business and finance.



RESOURCES

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Note: Policy approved by the Board of Trustees on June 6, 2008 Resolution #2008-120.