



POLICY TITLE	Investments	Policy Number	205
Section	Financial Affairs and Development	Approval Date	February 8, 2007
Subsection	General Financial Policies	Effective Date	February 8, 2007
Responsible Office	Office of the Vice President of Finance and Administration		

1.0 PURPOSE

1.1 Relating to university investments, to establish the process for the appointment of the Public Treasurer; to create an Investment Advisory Committee; to establish procedures for cash management pools, endowed and restricted funds, and debt service reserves; and to establish accounting accountability, reporting requirements, and custodial and safekeeping of university investments.

2.0 REFERENCES

2.1 *State Money Management Act of 1974* (Sections 51-7-1, et. seq., Utah Code Annotated, 1953, as amended)

2.2 Utah Regents Policy R541 *Management and Reporting of Institutional Investments*

3.0 DEFINITIONS

3.1 Cash management pool: Funds invested in the Utah Public Treasurer's Investment Fund, sweep accounts, and other easily liquidable funds.

3.2 Debt service reserves: Funds held by the University as required by bonds or other indebtedness as a requirement of the financial obligation.

3.3 Endowed and restricted funds: Funds from gift, devise, bequest, or by federal or private grant that are restricted by the source to how the funds may be expended.

3.4 Intangible property: Intangible properties are properties, including but not restricted to, contracts, claims, debts, chooses in action, demands of every kind that refer to public funds.



3.5 Investment committee: A committee established by the Vice President for Administration and Legislative Affairs to review and recommend investment guidelines, procedures, objectives, and strategies for institutional investments.

3.6 Negotiable (marketable, transferable, and unregistered) securities: Securities that can be easily transferred from one party to another party, provided all the proper documents are provided; e.g., certificates of deposit.

3.7 Non-negotiable (registered, non-marketable, or non-transferable) securities: Securities and products that are considered non-negotiable cannot be transferred from one party to another and are not liquid; e.g. government savings bonds.

3.8 Public funds: Funds held by the University that include, but not limited, to State Tax Funds, Uniform School Funds, and other dedicated credits as defined by the Board of Regents and/or state legislature.

3.9 Restricted funds: Funds held by the University from gifts, devise, bequest, and/or federal/private grants that the expenditure of such funds is governed by the requirement of the donor, source, or purpose.

3.10 Public Treasurer: High-level management employees experienced and qualified in cash and investment management and has full authority for the investment of those university funds which are within the scope of this policy.

3.11 State Money Management Act: The “Act” refers to the *State Money Management Act of 1974* (Sections 51-7-1, et. Seq., Utah Code Annotated, 1953, as amended).

3.12 Tangible property: Properties that are fixed assets or equipment of the university.

4.0 POLICY

4.1 The investment of public and restricted funds held by the University will be in accordance with the *State Money Management Act*, *Rules of the State Money Management Council*, and policies of the State Board of Regents.

5.0 PROCEDURES

5.1 The University shall comply with the *State Money Management Act of 1974* (Sections 51-7-1, et. seq., Utah Code Annotated, 1953, as amended (the "Act"), *Rules of the State money Management Council* (the "Rules"), and Policy R541 *Management and Reporting of Institutional Investments* of the State Board of Regents (the "Board"), and corresponding subsequent laws of the state, Rules of the Council, and policies of the Board. The extent that this policy and procedure thereunder are inconsistent with, or less clear than, the Act, the Rules, or the policies



regarding management and reporting of university investments of the State Board of Regents, the Act and those Rules, and policies shall prevail.

5.2 The Public Treasurer of the University, acting under the overall operating responsibility of the President, shall be the public treasurer as described in the Act, and as such has full authority for the investment of those university funds which are within the scope of this policy.

5.3 Funds within the scope of this policy are all those funds subject to investment by the University pursuant to the Act.

5.4 Appointment and Supervisory Review and Approval of the Public Treasurer

5.4.1 The President's recommendation to the Board of Trustees for appointment of the Public Treasurer shall be of a high-level management employee experienced and qualified in cash and investment management and shall be made in consultation with the Vice President for Administration and Legislative Affairs.

5.4.2 The Board of Trustees shall review all investment decisions on a regular basis.

5.5 Investment Advisory Committee

5.5.1 The Vice President for Administration and Legislative Affairs will appoint and have general authority and responsibility for the University Investment Advisory Committee. Subject to state law and University policy, they shall review and recommend investment guidelines, procedures, objectives, and strategies. The Committee shall meet as necessary to carry out its functions and responsibilities.

5.6 Investment Categories

5.6.1 Cash Management Pool

5.6.1.1 The University will establish a cash management pool for the investment of funds which are subject to this policy and which are not invested in other categories.

5.6.1.2 Income of the cash management pool shall be distributed to the participating funds monthly.

5.6.1.3 The cash management pool shall be invested only in deposits with the State Public Treasurers' Investment Fund or in deposits and investments authorized and described in the *State Money Management Act of 1974* (Section 51-7-1, et. seq, Utah Code annotated, 1953, as amended).

5.6.2 Endowed and Restricted Funds

Printed On:
October 18, 2013



5.6.2.1 The category refers only to all assets acquired by gift, devise, or bequest or by federal or private grant.

5.6.2.2 Assets in this category shall be managed, disposed of, and invested and reinvested in accordance with Rule 2 of the State Money Management Council ("Rule 2") and Regents Policy R541.

5.6.2.3 Subject to Rule 2, and except as provided in "4" below, sales and investments within this category must be approved in advance by the Board of Trustees upon recommendation by the Public Treasurer made after the Vice President for Administration and Legislative Affairs approves the recommendation.

5.6.2.4 Subject to Rule 2, upon approval of the Vice President for Administration and Legislative Affairs, the Public Treasurer is authorized (but not required) to sell assets in this category promptly after their receipt as a donation or grant. Such sales will be reported to the Board of Trustees at their next regularly scheduled meeting.

5.6.3 Debt Service Reserves

5.6.3.1 Subject to the Act, the Public Treasurer shall establish guidelines for instruction to trustees regarding funds for the retirement of indebtedness or renewal and replacement. Instructions to those trustees are subject to the approval of the Public Treasurer.

5.6.4 Accounting and Reporting

5.6.4.1 The University Controller is responsible for all accounting and reporting of investment transactions. The controller is authorized to delegate those functions to members of his or her staff.

5.6.4.2 Neither the controller nor any member of his or her staff may authorize, recommend, or make investment transactions.

5.6.4.3 One member of the controller's staff will maintain a subsidiary ledger for investment transactions and as the basis for preparing investment reports and will reconcile that ledger with the general ledger.

5.6.4.4 All reports must be reviewed and approved by the Public Treasurer and the Vice President for Administration and Legislative Affairs before being released.

5.6.5 Custody and Safekeeping of Investments



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5.6.5.1 With respect to securities and investment certificates, negotiable securities shall be in the name of the University and stored at all times in the University's safety deposit box at a commercial bank.

5.6.5.2 Investment certificates and non-negotiable securities will be held in the University Cashier's office safe.

5.6.5.3 With respect to all public funds, including evidence of deposits and investment of public funds, not described in section 5.6.5.1 above:

1) All intangible personal property, including contracts, claims, debts, chooses in action, and demands of every kind, shall be held in the University Cashier's office safe; and

2) All tangible personal property shall either be transferred to departments of the University or agencies served by the University, as appropriate, held in the University Cashier's office safe, or held in secure areas under the control of the University Cashier.

POLICY HISTORY		
Date of Last Action	Action Taken	Authorizing Entity