

## **Policy 3-050: University of Utah Investment Policies**

Revision 10. Effective date: November 20, 2025

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## **I. Purpose and Scope**

### **A. Purpose.**

To provide policies for the investment of and compliance for university deposits, Public and State Funds, Institutional Investments (excluding funds of the University Endowment Pool covered in Policy 3-055), investments and donations within the following regulatory oversight provisions:

1. Utah Code Title 51, Chapter 7, State Money Management Act (State MMA);
2. Utah Administrative Code Title R628 Money Management Council (Rules of MMC)
3. Utah Board of Higher Education Policy R541: Management and Reporting of Institutional Investments (UBHE Policy R541)
4. Utah Code Title 51, Chapter 8, Uniform Prudent Management of Institutional Funds Act (UPMIFA),

### **B. Scope**

1. Public and State Funds are governed by the State MMA and the Rules of MMC.
2. Institutional Funds are governed by UPMIFA. The University of Utah also commingles for investment purposes funds functioning as endowments (i.e. quasi-endowments). These funds may not arise from state appropriations, tuition and fees, and/or grants and contracts. Policies specifically associated

with Institutional Funds within the Endowment Pool are covered in Policy 3-055 and are excluded from this policy.

3. All other funds not identified above are governed by the Rules of the MMC, UBHE Policy R541 or bond resolutions or other debt agreements or are accepted and managed in accordance with the restrictions of an agreement.

## **II. Definitions**

The following definitions apply for the limited purposes of this policy and any associated regulations.

- A. “Chief Financial Officer” or “CFO” means the Chief Financial Officer of the university and also means the individual serving as the Chief Executive Officer described in UBHE Policy R541.
- B. “Chief Investment Officer” or “CIO”, as described in UBHE Policy R541 means a university official delegated and assigned by the CFO to be responsible for the university Institutional Funds; for defining investment style and strategy; for sourcing, managing, and monitoring investments; for establishing an Investment Policy Statement (IPS); and for working with external portfolio managers, analysts, administrators and donors. In the case of Institutional Funds included in the university Endowment Pool, The Board of Trustees has appointed the university of Utah Growth Capital Partners Foundation (“Foundation”) to oversee the management of the Endowment Pool. It has tasked the Foundation with the responsibility to select and contract with an Outsourced Chief Investment Office (the “OCIO”) to manage the Endowment Pool. See Policy 3-055.
- C. “Institution” means:
  1. A person other than an individual, organized and operated exclusively for charitable purposes;
  2. A governmental subdivision, agency, or instrumentality to the extent that it holds funds exclusively for a charitable purpose; and

3. A trust that had both charitable and noncharitable interests, after all noncharitable interests have terminated.
- D. "Institutional Funds" means a fund held by an Institution exclusively for charitable purposes. "Institutional fund" included in this policy does not include:
1. program-related assets;
  2. a fund held for an Institution by a trustee that is not an Institution;
  3. a fund in which a beneficiary that is not an Institution has an interest, other than an interest that could arise upon violation or failure of the purposes of the fund;
  4. funds held within the University Endowment Pool, as they are addressed in Policy 3-055; or
  5. Operating Funds.
- E. "Investment Management Officer(s)" means those officers appointed and designated by the CFO to manage Public and State Funds and Institutional Funds, regardless of organizational structure. "Investment Management Officer(s)" includes support staff.
- F. "Operating Funds" means money used for the general operation of a higher education institution that is received by the higher education institution from:
1. state appropriations;
  2. government contracts;
  3. government grants; or
  4. tuition and fees collected from students.
- G. "Public and State Funds" means, as state funds as defined by Utah Code Section 51-7-3:
1. public money raised by operation of law for the support and operation of the state government; and

2. all other money, funds, and accounts, regardless of the source from which the money, fund, or accounts are derived, that are owned, held, or administered by the state or any of its boards, commissions, institutions, departments, divisions, agencies, bureaus, laboratories, or other similar instrumentalities.
- H. “Public Treasurer” means the university official who has the responsibility for the safekeeping and investment of any Public and State Funds as approved by the Board of Trustees as described in Section III.B.
- I. “Treasury Support Services” – means the services that provide oversight of the university’s Public and State Funds needed for the daily operations for both deposits and liabilities and for the investments of such funds by the appropriate allocation of such funds under the description listed in Section III.B. Treasury Support Services may also extend to include Institutional Funds as practical and/or as assigned by the CFO

### **III. Policy**

#### **A. Appointment – Chief Investment Officer**

1. The CFO shall assign a CIO who has the authority for the safekeeping and the investment of university funds.
2. The CFO may assign the CIO oversight of both Public and State Funds and Institutional Funds or the CFO may assign these responsibilities separately.
3. The CIO may also serve as the Public Treasurer, if assigned by the CFO.

#### **B. Appointment - Public Treasurer**

1. Appointment: The CFO shall recommend to the Board of Trustees the appointment of a Public Treasurer, who may be separate from the CIO, to provide oversight for Public and State Funds as described in this policy and UBHE Policy R541 Section 5.2.2.

2. Authority: the Board of Trustees delegates the responsibility for the safekeeping and investment of Public and State Funds to the Public Treasurer along with the authority to select investments within the compliance and under the appropriate regulatory provisions listed in Section I.A Purpose. Such investments shall also conform to appropriate university investment guidelines.
3. Under the direction of the CFO, the Public Treasurer is responsible for the oversight and investment of Public and State Funds and to provide Treasury Support Services for Public and State Funds. The Public Treasurer may also be assigned to provide Treasury Support Services for the university's Institutional Funds.

C. Approval Process for Investments

1. Public and State Funds Supervisory Approval: Oversight of the Public Treasurer's investment decisions for Public and State funds may be designated by the CFO to another university official under the appropriate organizational structure. Only those officers listed on the university's corporate resolution for investment administration may approve investment transactions.
2. Institutional Funds Supervisory Approval: The CIO has oversight of Institutional Funds as assigned and designated by the CFO and reports to the CFO. Only those officers listed on the university's corporate resolution for investment administration approve investment transactions and contracts.

D. Authority to Manage Public and State Funds and Institutional Funds

1. This policy extends the CFO's overall authority to include the appointment rights, fund assignments, and to determine organizational reporting structure for those university officials involved with the oversight and investment of the university's Public and State Funds and Institutional Funds.

E. Authority to Engage in Investment Transactions

1. Authority to enter into investment transactions on behalf of the university shall be limited to only those individuals listed in the university's corporate resolution for investment administration, and as subject to the university's Investment Management Office operating procedures for Public and State Funds and Institutional Funds under the university's organizational structure.
2. No person may engage in any investment transactions on behalf of the university except as provided for under the terms of this policy.

**F. Daily Cash Requirements**

1. The Public Treasurer shall manage Treasury Support Services for daily cash requirements (Operating Funds) for the university in accordance with the State MMA and Policy 3-051. In the absence of a Public Treasurer, any individual listed on the university's corporate resolution for investment administration may act within the Public Treasurer's role as designated and assigned by the CFO. The Public Treasurer may also be assigned by the CFO to provide Treasury Support Services for Institutional Funds.

**G. Investment Pools or Portfolios**

1. Similar funds may be separated or commingled for investment and/or reporting purposes unless specifically prohibited by statute, donor stipulation, or bond covenant.
2. Similar funds may be combined into investment pools or portfolios upon the approval of the CFO. The CFO may consult with other university officials as to the appropriate way to report such funds falling within this category. Reporting of investments to the Board of Trustees and senior administration of the university may be summarized differently based on a need-to-know basis versus how investments are categorized for reporting purposes on the university's annual audited financial reports.
3. Separate investment pools or portfolios may be established to:

- a. ensure compliance with the appropriate specific provisions of the State MMA, Rules of MMC, UBHE Policy R541 and UPMIFA or other Utah Board of Higher Education policies under which the investment pool or portfolio will be governed;
- b. ensure compliance with written donor directives relating to gifts, devise, or bequests’;
- c. ensure compliance with any legal restrictions, such as bond covenants, trust agreements, or contracts; and
- d. if applicable, seek to meet investment objectives as outlined in either the Cash Management Pool Investment Guidelines to help provide funding for the various operating or educational needs within the university.

#### H. Individual Investments Separately Invested

1. Certain funds or securities may be separately invested, rather than commingled in an investment pool, if one or more of the following conditions exist and in compliance with Rules of MMC R628-2.
  - a. A donor has provided written directions as to the investment of, or that restricts the sale of, their donation that makes it impractical to commingle with other securities or funds in other investment pools.
  - b. The CFO approves such an investment, as long as the investment is in accordance with appropriate governing regulations, including legal and tax implications.
2. The CFO reserves the right to establish an advisory committee to advise on whether to accept such investments, the investment thereof, and the appropriate reporting of these investments.
3. Funds that have been pledged or dedicated shall be invested in accordance with the objectives and guidelines stated in bond resolutions or other debt agreements.



4. Funds or securities that are separately invested may be consolidated into like portfolios with other securities that also have specific investment restrictions.

I. Donated Securities

1. Securities received by gift, devise, or bequest, whether outright or in trust, shall be sold by the Investment Management Office as soon as practical in accordance with the Rules of MMC R628-2 unless:
  - a. Restrictions specified by the donor through a written instrument contain directions as to the investment thereof. The funds embodied within the gift shall be invested in accordance with those directions, therein. The university will periodically review donor's written directions to determine if any donated securities being held can be sold or if they should be written off if the value is deemed immaterial.
  - b. Such securities are restricted from sale because they are not registered with the Securities and Exchange Commission and/or lack a written instrument as per the intentions of the donor. In such cases, they may be retained as a qualified investment. When the terms of the restrictions are no longer applicable, the securities shall be sold or written off in accordance with this section.
  - c. A gift, devise or bequest of closely held nonmarketable securities, shall be purchased by the closely held entity within 24 months of the gift, devise or bequest. Evidence of such put shall be furnished at the time of the gift, devise or bequest.
2. Holding such securities as noted above is deemed to be in compliance with Rules of MMC R628-2.

J. Guidelines for Investment of Public and State Funds and Institutional Funds

1. Periodically, the Investment Management Office shall conduct a review of the guidelines.

- a. Public and State Funds are subject to the Cash Management Pool Investment Guidelines.
  - b. Donated Securities that have been required by their respective donor to be held by or for the university shall be invested in accordance with the restrictions of the gift agreement. No internal investment guidelines will be established for those donated securities that are placed in a common portfolio.
  - c. Funds that have been pledged or dedicated shall be invested in accordance with the objectives and guidelines stated in bond resolutions or other debt agreements, otherwise they shall be invested in accordance with the State MMA.
2. Funds being invested that may not fall under a guideline shall be invested in accordance with the appropriate governing regulation.
- K. Beneficial Interests not Owned or Held by the university
1. In addition to Public and State Funds and Institutional Funds owned, held, or administered by the university, the university may be the beneficiary of trust funds that it does not own or control, administered by independent trustees or boards. This policy does not apply to such trusts or to donated funds that the donor has directed to be invested in specific securities or properties.
- L. Brokerage Accounts for Security Donations
1. Brokerage accounts may be created for the receipt of various financial instruments or cash donated for the advancement of the University. The Investment Management Office shall have oversight in establishing, maintaining, monitoring, and, if necessary, terminating any donated security brokerage accounts. Monitoring such accounts may be delegated to the university Institutional Advancement Office. Transaction authority shall be restricted to those University officials listed on the university's corporate resolution(s).

## M. Investment Reporting

1. The Investment Management Office shall submit monthly investment reports to the secretary of the university's Board of Trustees within the required time frame established by the Board of Trustees but no later than 60 days from month's end. Quarterly reports shall be submitted within 90 days after a quarter's end.
  - a. Such reports shall summarize the university's deposits and investments of funds within each pool or portfolio that were in its custody or control at month end. The information included in the reports may be summarized consistent with the request of the final entity reviewing such reports. These reports are for informational purposes only and are not the book of record for the university's annual financial report.
  - b. The secretary shall place the report on the agenda of the next regular Board of Trustees meeting as appropriate for their reporting periods.
  - c. Reports associated with the assets within the university's Endowment Pool will be submitted separately by the Foundation (See Policy 3-055).
2. The Board of Trustees chair shall review the investment reports prior to the Trustees meeting and may request additional information or explanations from the appropriate university official or officer providing the reports.
  - a. The Board of Trustees, after receiving the investment reports, shall approve or reject the reports.
3. Within 30 days after the Board of Trustees' action(s), the university shall submit to the Utah System of Higher Education (USHE) a copy of the investment reports as submitted to the Trustees. These reports shall be accompanied by a transmittal letter from the President of the university, which shall state that the President has reviewed the reports, whether or not the president has approved the reports, and any actions taken by the Trustees regarding the reports.

4. Each year, the university shall prepare a summary report of its money management activities for the prior fiscal year on the forms provided by USHE. This report shall include the University's Internal Auditor's opinion regarding the fairness of presentation of the report in accordance with generally accepted accounting principles and compliance with applicable state requirements, in particular, the State MMA, Rules of MMC, UPMIFA, UBHE Policy R541, and university investments policies.
  - a. The university administration shall also provide a copy of the report to a Board of Trustees committee, if requested by the chair of the Board of Trustees.
  - b. This report shall be submitted to the Board of Trustees.
  - c. This report shall be forwarded to USHE
5. Accounting for Investment Transactions
  - a. The Office of General Accounting has the responsibility to record and reconcile investment transactions for Public and State Funds and Institutional Funds into the general ledger under their policies and guidelines.

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*Sections IV- VII are for user information and are not subject to the approval of the Academic Senate or the Board of Trustees. The Institutional Policy Committee, the Policy Owner, or the Policy Officer may update these sections at any time.*

#### **IV. Policies/ Rules, Procedures, Guidelines, Forms and other Related Resources**

- A. Policies/ Rules. [ *reserved* ]
- B. Procedures, Guidelines, and Forms.
  1. Cash Management Pool Guidelines
- C. Other Related Resources. [ *reserved* ]

## **V. References**

- A. Utah Code Title 51, Chapter 7, State Money Management Act
- B. Utah Administrative Code Title R628, Rules of the State Money Management Council
- C. Utah Code Title 51, Chapter 08, Uniform Prudent Management of Institutional Funds Act (UPMIFA)
- D. Utah System of Higher Education Policy R541: Management and Reporting of Institutional Investments
- E. Policy 3-055: University of Utah Investment Policies and Procedures for the Endowment Pool
- F. Policy 3-051: Banking Services
- G. Policy 1-006: Individual Conflict of Interest Policy

## **VI. Contacts**

The designated contact officials for this Regulation are

- A. Policy Owner(s) (primary contact person for questions and advice): Chief Financial Officer
- B. Policy Officer(s): Chief Financial Officer

See Rule 1-001 for information about the roles and authority of policy owners and policy officers.

## **VII. History**

Revision History.

- A. Current version. Revision 10.
  - 1. Approved by Board of Trustees on November 13, 2025 with effective date of November 20, 2025.
- B. Previous Versions

1. Revision 9. Effective May 12, 2009
2. Revision 8. Effective November 1, 2005
3. Revision 7, effective January 7, 2005
4. Revision 6, effective January 25, 1990
5. Revision 5, effective September 11, 1989

C. Renumbering

1. Renumbered from Policy and Procedures Manual 3-5