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## **Investment Policy Statement (IPS) for Non-Pooled, Non-Endowment Funds** <sup>[1]</sup>

Investment Policy Statement (IPS) for Non-Pooled, Non- Endowment Funds

Purpose

Under this

*IPS,*

the Board of Regents authorizes the Treasurer of the University to manage financial assets that are not included in the Treasury Pool, that are not endowment or similar funds, and that are not subject to either Regent approved investment guidelines or Regent approved contracts or agreements.

Background

The Treasurer of the University is responsible for implementing investment strategies for financial assets in support of the "prudent" person standard, providing liquidity, safety and yield to the institution, appropriate to the time horizon of the investments.

The University Treasurer will evaluate, with input from University employees, when appropriate, the liquidity needs of a University fund, and decide how the assets should be invested and managed, to best carryout the responsibilities of the Regents.

Certain financial assets of the University may not be commingled, or pooled, with other University investments. The assets that cannot be pooled are referred to as non-pooled. Each non-pooled fund is invested, tracked, and reported separately by the Treasurer of the University. Ideally, each of these funds should be invested in a manner that best supports its respective purpose. Investment earnings on non-pooled assets are reinvested in the respective, non- pooled account and available for distribution to the account owner.

Matching Investment Horizons to Liquidity Requirements

The Treasurer is authorized to determine the investment horizon that is appropriate for the liquidity requirements of the funds invested. The Treasurer will seek appropriate input to this decision from University employees responsible for the programs supported by the particular fund. The Treasurer will use the asset's time horizon to select suitable asset classes. These

asset classes may include fixed income. Funds governed by this IPS may be invested in equities if the equities are for investment purposes and were distributed to the University.

Investments in commingled vehicles, such as mutual funds or the Treasury Pool, are permitted, if determined by the

Treasurer to be an appropriate investment for the particular fund.

#### Diversification

Generally, diversification is desirable, to protect the underlying value of the fund. However, in some cases, such as, when the investments are in government-backed paper, diversification does not add value. Similarly, when the University is the passive recipient of stock, it may not be desirable to diversify immediately.

The Treasurer is authorized to make appropriate decisions with respect to diversification of funds covered by this IPS.

#### Oversight, Advice and Operating Procedures

The Treasurer will consult with the University of Colorado Investment Advisory Committee on issues related to the investment of funds in this portion of the portfolio, when appropriate.

The Treasurer maintains a brief, written statement of Operating Procedures for specific funds within this portion of the investment portfolio. This document governs the day-to-day operations of the staff of the Treasurer's Office.

#### Authority

Funds managed by the University of Colorado are under the control and direction of the Regents of the University of

Colorado, and are managed pursuant to

*Sections 23-20-109 and 111, C.R.S. (1988),*

and the rules adopted by the

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Regents pursuant to

*Section 23-20-112, C.R.S. (1988); Laws of the Regents, Article 13.B.3. (c), and*

*Regents*

Handbook, Board Policy, 13-G, 13-P, and 13-Q.

The Regents are authorized to hold certain kinds of investments,

*Sections 23-20-118 and 119, C.R.S. (1988)*, and to control and invest moneys from donations and from university lands,

*Sections 23-20-120 and 121, C.R.S. (1988)*.

As part of this Investment Policy Statement, the Board of Regents specifically authorizes the University Treasurer to implement this Policy through Procedures developed by the Treasurer for funds in this portion of the portfolio.

The University Treasurer invests in accordance with the "prudent" person standard and specific statutory limitations that govern the University. The Treasurer invests in a manner consistent with the Regents' Resolution on Institutional Neutrality and all other applicable Regent Law upon its effective date.

Upon approval this policy is subject to modification by action of the Board of Regents, and remains effective until any modification is approved.

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