

**INVESTMENTS**

- I. Investment Policy. The chief financial officer of each campus, division or unit must develop an investment policy that addresses who has the authority for investment transactions and investment objectives, strategy and guidelines. The policy should attempt to optimize returns within appropriate risk parameters. The campus, division or unit must ensure that operating funds remain sufficiently liquid in order to meet current obligations which may be reasonably anticipated. The policy should be forwarded to the Vice President for Finance for review by the Investment Advisory Committee. It is the responsibility of the chief financial officer of each campus, division or unit to submit changes to the policy as they occur.
  
- II. Investment Advisory Committee. The system wide advisory committee will be established by the Vice President for Finance in accordance with Board Policy 470.2, and will 1) review administration of campus-held endowment funds; 2) review the performance of the external investment pool and the investment agreement between the University of Arkansas Foundation and the University of Arkansas System on a yearly basis; and 3) evaluate campus investment policies to ensure that they identify investment objectives, strategy and guidelines.
  
- III. Investment of Bond Proceeds and Sinking Funds. It is the responsibility of the bond trustee, in accordance with the bond indenture, to invest all bond proceeds and sinking funds.
  
- IV. Engaging Outside Consultants. A campus/division/unit may engage a firm to advise on all matters pertaining to the investment management of operating funds; analyze current operating fund portfolio(s) and prepare recommendations for optimization; review and evaluate operating fund investment management performance; and review and evaluate operating fund money market and other cash investment accounts for policy compliance, quality and diversification, management experience and risk controls, and competitive yield in relation to expense ratios and service capabilities. The operating investment policy will be the guiding document for investment strategies proposed.

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