



MEMORANDUM

March 24, 2023

R541, Management and Reporting of Institutional Investments

Board Policy R541, *Management of Reporting of Institutional Investments*, implements the State Money Management Act, the rules of the State Money Management Council, and the Uniform Prudent Management of Institutional Funds Act. This policy provides guidelines to institutions for establishing policy, process, and reporting of investments.

Section 6.2. *Permissible Investments and Asset Allocations* directs institutions that do not have their own investment policies in place and outlines permitted investments for endowment funds. Subsection 6.2.2. currently lists portfolio allocations by investment types, with fixed income and cash equivalents ranging from 0 – 100%. This range was mistakenly changed in a prior version and should have remained at 25 – 100%. The 25% minimum threshold is in place to encourage fiscal prudence, provide liquidity, and reduce volatility.

Commissioner's Recommendation

The Commissioner recommends changing Policy R541 section 6.2.2. Fixed income and cash equivalents allowable endowment allocation range from 0 - 100% to 25 - 100%.

Attachment