



UTAH SYSTEM OF  
HIGHER EDUCATION

# MEMORANDUM

March 27, 2025

## Annual Money Management Report – FY 2024

Pursuant to [Utah Code 51-7-13\(3\)\(a\)\(c\)](#), [Utah Code 51-8-303\(6\)](#), and [Utah Board of Higher Education Policy R541, \*Management and Reporting of Institutional Investments\*](#), Utah System of Higher Education institutions are required to submit reports to the Board monthly and annually detailing the deposit and investment of funds. The Board then submits an annual summary report of all investments by institution to both the Governor and the Legislature. This report serves as the annual summary report and meets the requirements outlined in the statute.

On both a monthly and annual basis, institutions prepare investment reports that are reviewed and approved by both the institution's treasurer and internal auditor(s). The treasurer certifies that the institution is in compliance with the Uniform Prudent Management of Institutional Funds Act (UPMIFA) and the State Money Management Act. The internal auditor(s) verifies compliance with state statutes, Board policy, institutional policy, federal regulations, and strength of controls and confirms the completeness and accuracy of the investment reports. Completed reports are submitted to the institution's board of trustees for review and approval (as delegated by the Utah Board of Higher Education) and forwarded to the Office of the Commissioner of Higher Education for review and record keeping.

Statute requires that the annual summary report to the Governor and Legislature represent audited values. To meet this requirement, this report is prepared after the state auditors complete their annual financial audit of the institutions. The investment figures used in this report tie to the audited "Statement of Net Assets" found in the institution's financial statements.

The attached report demonstrates the relative size of institutional investments and the asset allocations in place at each school by investment category. The categories are:

- **Endowment Investments** — governed by UPMIFA and [Board Policy R541](#).
- **Foundation Investments** — governed by a Foundation Board of Trustees/Directors operating under the requirements of non-profit 501(c)(3)s.
- **Other Investments** — all funds not classified as endowment or foundation, operating under the guidelines and requirements of [Utah Code 51-7](#) and the Utah Money Management Act.

## **Additional Information**

The Commissioner's office staff has worked with USHE controllers to provide additional information regarding the oversight and review of the investment process to address Board questions regarding asset allocation, compliance with laws and regulations, return on assets, and risk management. The following information has been provided by the institutions, describing their processes and procedures for evaluating the performance of their respective investments, the various benchmarks used in the evaluation process, and clarifying notes describing the use of outside industry professionals to assist in the management of institutional investments.

## **Oversight and Review**

The responsibility for oversight, management, and reporting of assets invested (including the management of the portfolio, selection of investment products, and investiture/divestiture decisions) has been delegated by the Board to an institution's Board of Trustees. To assist with this charge, the institutions have created investment committees to help with the operational responsibilities. The membership of these committees varies by campus but may include trustees, institutional officers, designated treasurers, institution employees, members of the business community, and/or investment professionals. Institutional use of outside professionals varies. In some cases, outside professionals (i.e., Commonfund, Wells Fargo, LCG Associates, Albourne America, and Strata Financial Services) are hired to manage pieces of investment portfolios. In other cases, individuals who are recognized as investment professionals may sit on the investment committees.

Investment committees are asked to evaluate the respective investments relative to returns, risk mitigation, institutional needs, reasonableness, effectiveness, overall position, prudence, and management cost while maintaining compliance with statutes, policies, authorities, and regulations.

Reports of the positions, instruments, and balances are produced on a monthly and quarterly basis by the designated treasurer, approved by committees, and presented to the institutional president and board of trustees for review and approval.

## **Performance Measurement**

Institutions use industry-standard benchmarks to measure the return on their investments, allocation of assets, and risk level. The benchmark tools may include S&P 500, Russell 3000, Morgan Stanley (MSCI) for equity funds, UBS index, Barclays Capital Index, London Interbank Offered Rate (LIBOR), and peer group comparisons. Several institutions participate in a national survey by [NACUBO–Commonfund Study of Endowments](#) (which includes all major colleges and universities in the U.S.). The results of this annual study are a key indicator of how their investment practices and results compare to those of other major universities. The NACUBO study also provides insights into current investment trends and ways to improve overall results.

## **Foundations**

Foundations have a board and committee that oversee and direct the investments of each foundation. The foundations are subject to federal regulations.

- Utah Tech University's foundation is a component unit of the university and includes endowment investments that support the university.
- Utah State University's foundation is part of the university or "dependent foundation," which is dedicated to maximizing support from private donations. As such, foundation funds are invested as part of the university endowment according to current university guidelines, oversight protocols, performance evaluation standards, and the same investment policies as all other funds.

## **Notes**

- Utah Tech University places \$2.2 million of \$19.6 million endowment fund investments with the University of Utah to benefit from the University of Utah's investment strategies and staff professionals. No Foundation funds are held with the University of Utah.
- Utah Tech's investments dropped from \$129,658,124 in FY 23 to \$89,524,302 in FY 24. Prior to FY 24, bonds were issued and placed in investment accounts to pay for construction costs. The reduction in investments in FY 24 is a direct result of using bond proceeds to pay for housing construction.
- Salt Lake Community College's (SLCC) investments decreased from \$213,338,474 in FY 23 to \$203,585,362 in FY 24. The completion of the Herriman (Juniper) and Technical Arts Building in FY 24, both of which had substantial college-funded portions, was the primary reason for the decrease. Additionally, SLCC undertook an \$8 million remodel of the student center, which was entirely college-funded. SLCC also purchased ten residential building lots for their construction trades program for \$3.1 million. Further, there was a \$1.7 million Library Square lease buyout and \$1 million spent on the Alder Amphitheater remodel. All these real estate costs and construction projects significantly impacted SLCC's cash flow in FY 24.
- Tooele Technical College's investments decreased from \$2,416,646 in FY 23 to \$1,987,154 in FY 24. During FY 23, Tooele Technical College, in collaboration with the Department of Facilities and Construction Management, began a state-funded building expansion project on the main campus. As a result of this construction project, the College acquired certain equipment and paid for the services of several contractors. These purchases amounted to a use of funds of \$495,566 during FY 24.

## **Commissioner's Recommendation**

This is an information item only; no action is required.

## **Attachment**

Attachment 1 – Annual Money Management Report