California State University SAN MARCOS | CSUSM Corporation

Policy #: 105	**Total Pages: 2**
Created: 03/27/08	
Revision Date: 10/28/10, 11/19/15, 11/9/18, 2/6/19	
Name Change Revision Date: 2009, 7/1/17	
Investment Statement memo dated 9/1/24 (attached)	
Approved by: Board of Directors 11/29/18, 2/21/19, 9/26/24	

GENERAL INVESTMENT POLICY

PURPOSE:

To provide general guidance relative to the delegation of authority and responsibility, the policies needed, and the review requirements related to investment management.

BACKGROUND:

The Board has a fiduciary duty as trustee of invested funds and other liquid assets held by the California State University San Marcos Corporation (CSUSM Corporation). CSUSM Corporation engages Investment Advisors to advise on the management of investments, trusts and other financial matters of CSUSM Corporation. The extent of the investment management responsibilities of the Corporation, however, is such that it is prudent that whenever possible, CSUSM Corporation must secure and operate with continuous professional supervision of investments.

CSUSM Corporation maintains reserve accounts intended to be used for future planned activities (i.e. capital purchases, replacements, contingencies, etc.) and operating accounts for managing other general administrative activities. It also maintains various program accounts which help support campus activities. Since the balances in these accounts may be drawn on at any time, the investment objective is to preserve principal, provide liquidity, and provide a secure and stable investment return.

This policy provides the baseline authority and requirements for administration of all of CSUSM Corporation's investment assets. Each investment pool is to be operated in compliance with this policy.

POLICY:

I. General. It is the policy of the Board of Directors that CSUSM Corporation's investment program will be managed in conformity with established investment management principles and the laws of the State of California governing commercial, donor, agency and fiduciary relationships. The Board delegates to the Executive Director or their Designee, the implementation of the management of investments per this policy and related policies of the Board, and in accordance with California and federal law.
    a. It is expected that the Executive Director or Designee will seek and rely upon specialized expertise and guidance from the Finance and Operations Committee and other investment professionals as is reasonable and prudent. The Board retains ultimate responsibility to make investment program policy decisions.

II. Executive Director or Designee Duties and Reporting to the Board. The Executive Director or Designee will have primary responsibility for implementation of investment-related duties in accordance with policy. The Executive Director or Designee will:

a. Provide reports to the Board quarterly that detail the earnings and activity in all investment accounts.
b. Establish procedures regarding implementation of policy; and
c. From time to time provide recommendations to the Finance and Operations Committee for revisions to policy to be proposed to the Board; and
d. Consult with the Finance and Operations Committee regarding the hiring, monitoring, and termination of Investment Advisor(s).

III. Investment Advisor(s) role. The Executive Director or Designee may allow Investment Advisor(s) to:
   a. Implement Board approved investment-related policies through written procedures as provided by the Executive Director or Designee; and
   b. Recommend policy and procedure revisions to the Executive Director or Designee for the review by the Finance and Operations Committee and Board approval.

IV. Investment Standard. All investments must be in compliance with the California Uniform Management of Institutional Funds Act ("UMIFA").

V. Allowable Investments
   a. Money market funds, LAIF, certificates of deposits and U.S. Treasury Securities with maturities not to exceed 3 years, or short-term fixed income mutual funds with average portfolio durations of 2 years or less.

VI. Investment Earning
   a. Investment earnings will be recorded in the general operating fund of CSUSM Corporation unless specific agreements have been established between the CSUSM Corporation Executive Director and a campus program account for the credit and/or use of investment income.

PROCEDURES:

Procedures. The Executive Director or Designee will establish written procedures for practical operations related to investment funds to implement this policy.

COMPLIANCE:

All personnel involved in investment of any CSUSM Corporation-held funds must comply with this policy.

AMENDMENT TO POLICY:

This policy may be amended in whole or in part upon review and recommendation from the Finance and Operations Committee to be passed on to the Board of Directors for approval.

REFERENCE:

California Uniform Management of Institutional Funds Act ("UMIFA") (Cal. Probate Code 18506 et seq.).

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CSUSM Corporation California State University San Marcos 333 S. Twin Oaks Valley Road San Marcos, CA 92096
Tel: 760.750.4700 **Fax:** 760.750.4710 corp@csusm.edu www.csusm.edu/corp

MEMORANDUM

DATE: September 1, 2024

TO: CSUSM Corporation Board of Directors

FROM: Deanne Ellison, M.Ed., *CASP*
CSUSM Corporation Executive Director

SUBJECT: SOCIALLY RESPONSIBLE INVESTMENT STATEMENT

Background: The CSUSM Corporation has a long-standing history of respectful support of the CSUSM mission and philosophy. In keeping with and in support of the tenor of the campus on this issue, the CSUSM Corporation has the ability to support this unified philosophy.

Statement: The CSUSM Corporation's mission is to improve the student, research, and campus experience, and to create a positive impact on the campus community. The CSUSM Corporation is an auxiliary organization of California State University San Marcos (CSUSM) and plays a key role in the campus community by supporting the university's goals and purposes and meeting its evolving needs. On the occasion that the Corporation makes investment decisions, it will consider all investment programs that further enhance the ability to provide this support.

It is recognized that there are exogenous considerations that may affect the investment outcomes of the corporation. Further, that positive benefits may accrue from enhancing social mobility and improving diversity, equity, and inclusion metrics. In addition, socially responsible and environmentally conscious investing, consistent with that of the campus, may accrue positive benefits across the business landscape. The Corporation has and will continue to consider the use of Socially Responsible Investment screening and targeted-impact investment allocations if those efforts are deemed to enhance the corporation's primary mission.

Recommendation: It is the recommendation of the CSUSM Corporation staff and Finance and Operations Committee that a Socially Responsible Investment Statement be adopted by the CSUSM Corporation to lend guidance to future investment policy and decisions.