

SECTION: **POLICY STATEMENT - GENERAL AND ADMINISTRATIVE**

SUBJECT: **EXTERNAL INVESTMENT MANAGEMENT SERVICES**

PURPOSE: To provide management with appropriate authority and standards of practice to offer and administer investment management services to qualified external entities.

EFFECTIVE DATE: **August 21, 1998**

EXTERNAL INVESTMENT MANAGEMENT SERVICES

I. BACKGROUND AND PURPOSE

- A.** The University's mission is expressed in broad terms that includes appropriate support to and the enhancement of University-related organizations and community-based services. From time to time, the University receives requests from such external entities to provide investment management services through the Cal Poly Corporation ("CPC").
- B.** California law (Cal. Corp Code Sec. 10250 et seq.) authorizes the CPC, as a nonprofit public benefit corporation, to establish one or more common trust funds for the purpose of providing investment management services to other qualified entities.
- C.** In response to the University's objective of providing an effective investment program option to affiliated and community-based nonprofit organizations, the CPC has developed an External Investment Management Services program. This policy statement authorizes the Executive Director to administer such a program, and establishes appropriate program standards.

II. Policy and Practices

- A.** The CPC may offer investment management services (EIMS) over the funds of external entities under standards and conditions set forth below.
- B.** EIMS requires the University President or a designee to first make a formal determination that the external entity requesting such services is qualified as an organization affiliated with the University.
- C.** EIMS clients shall execute and be bound by an Investment Management Services Agreement and fee schedule in a form authorized by the Executive Director.

- D. EIMS client funds shall be accounted for as separate common trust fund accounts, but may be invested on a pooled basis under the endowment fund investment policy adopted by the Board of Directors.
- E. The CPC acts in a fiduciary capacity over all EIMS funds, but such funds are not subject to the general requirements of California trust law.

III. IMPLEMENTATION

- A. The Executive Director is authorized to develop and administer the EIMS Program consistent with this Policy Statement.
- B. Appropriate Program Management Guidelines may be established by the Executive Director to administer the Program.
- C. An initial Program Business Plan and Budget shall be developed and recommended to the Board of Directors. This Program shall be reviewed and authorized annually through the normal budget review process.