

ADDITIONAL POOLED CASH INVESTMENT FUND

A Recommendation

1. **Division and Department:** Finance and Administration, Treasury Management Department
2. **Introduction:** Oakland University's pooled cash is currently managed through allocations to equities, fixed-income and money market funds. Increased uncertainty and volatility in the investment markets have introduced more risk into managing pooled cash investments. Prudent investment management suggests that treasury managers should have a variety of immediately available, relatively safe investment alternatives. Adding a U.S. Treasuries-focused money market fund and a direct treasuries purchase option to the current daily sweep money market will add flexibility and safety to Oakland University's (University) pooled cash investment.

The University's current endowment investment advisor and custodian, UBS Financial Services, utilizes a U.S. Treasury-focused money market fund in managing the University's endowment investments. Board of Trustees (Board) approval is required to use this investment option for the University's pooled cash portfolio under its current agreement with UBS Financial Services.
3. **Previous Board Action:** On July 18, 2008 the Board authorized the Vice President for Finance and Administration to execute agreements and resolutions necessary to establish operating and investment accounts with LaSalle Bank N.A., Commonfund Securities, Inc., and J. P. Morgan Investment Advisors, Inc. for management of the University's pooled cash investments. On September 12, 2007, the Board authorized the Vice President for Finance and Administration to execute agreements with UBS Financial Services for management of the University's endowment investments.
4. **Budget Implications:** Adding a U.S. Treasuries-focused money market fund for management of pooled cash investments will help safeguard the University's assets.
5. **Educational Implications:** None.
6. **Personnel Implications:** None.
7. **University Reviews/Approvals:** This proposal has been prepared by the Treasury Management Department and reviewed by the Vice President for Finance and Administration and Treasurer to the Board of Trustees.
8. **Recommendation:**

WHEREAS, given current economic and investment market conditions, prudent investment management suggests that treasury managers should have a variety of immediately available, relatively safe investment alternatives; now, therefore be it

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RESOLVED, that the Vice President for Finance and Administration and Treasurer to the Board of Trustees is authorized to execute instruments necessary to establish operating and investment accounts with UBS Financial Services or any subsidiaries or related parties recommended by UBS Financial Services required to implement the investments through these firms; and, now, be it further

RESOLVED, that the instruments to implement this resolution be reviewed and approved by the Office of the Vice President for Legal Affairs and General Counsel prior to execution, and be in compliance with the law and University policies and regulations and conform to legal standards and policies of the Vice President for Legal Affairs and General Counsel.

9. Attachments: None

Submitted to the President
on _____, 2009 by

John W. Beaghan
Vice President for Finance and Administration
and Treasurer to the Board of Trustees

Recommended on _____, 2009
to the Board for approval by

Gary D. Russi
President