08.2001  **Regulation Statement.** This Regulation sets forth the rules for the investment of all System funds and funds held by the System in trust for others. All investments by the System will be made in accordance with Rule 10.100 of the Rules of the Board of Regents of the University of North Texas System and this System Regulation.

08.2002  **Application of Regulation.** This Regulation applies to the UNT System Administration and to all UNT Institutions.

08.2003  **Definitions.**

1. **Authorized Broker/Dealers.** “Authorized Broker/Dealers” means those entities that have been approved as provided herein.

2. **Funds.** “Funds” is defined by Government Code § 2256.002 and means public funds in the custody of a state agency or local government that:
   a. are not required by law to be deposited in the state treasury; and
   b. the investing entity has authority to invest.

3. **Funds Subject to Board of Regents Control.** “Funds Subject to Board of Regents Control” is defined by Texas Education Code § 51.002 and means:
   a. student fees of all kinds;
   b. charges for use of rooms and dormitories;
   c. receipts from meals, cafes, and cafeterias;
   d. fees on deposit refundable to students under certain conditions;
   e. receipts from school athletic activities;
   f. income from student publications and other student activities;
   g. receipts from the sale of publication products and miscellaneous supplies and equipment;
h. students’ voluntary deposits of money for safekeeping;

i. all other fees and local or institutional funds arising out of and by virtue of the educational activities, research, or demonstrations carried on by the institution; and

j. donations and gifts to the institution.

4. Investment Officer. “Investment Officer” means the person(s) appointed by the Board pursuant to the Regents Rules, and any authorized designee.

5. Managing Entity. “Managing Entity” means the entity holding and managing the investment of funds, and may include UNT System Administration, a UNT Institution, the University of North Texas Foundation, Inc. (“UNT Foundation”), the UNTHSC Foundation (“UNTHSC Foundation”), the University of North Texas at Dallas Foundation (“UNT at Dallas Foundation”), an external asset management firm, or Authorized Broker/Dealers.

6. Prudent Person Standard. “Prudent Person Standard” is defined by Texas Education Code § 51.0031(d) and described in Article VII, Section 11b of the Texas Constitution, and means that standard of judgment and care that prudent investors, exercising reasonable care, skill, and caution, would acquire or retain in light of the purposes, terms, distribution requirements, and other circumstances of the fund then prevailing, taking into consideration the investment of all the assets of the fund rather than a single investment.

7. System. “System” means, collectively, the University of North Texas System, University of North Texas System Administration, and UNT Institutions.

8. UNT Institutions. “UNT Institutions” means University of North Texas, University of North Texas Health Science Center at Fort Worth, and University of North Texas at Dallas.

08.2004 Authority and Governing Statutes.

The System’s authority to invest funds is established in the Public Funds Investment Act (Texas Government Code, Chapter 2256), Section 51.0031 of the Texas Education Code, and Rule 10.100 of the Rules of the Board of Regents of the University of North Texas System. This Regulation is promulgated in accordance with the Public Funds Investment Act, Section 51.0032 of the Texas Education Code, the Uniform Prudent Investor Act (Texas Property Code, Chapter 117), the Uniform Prudent Management of Institutional Funds Act (Texas Property Code, Chapter 163), and the Public Funds Collateral Act (Texas Government Code, Chapter 2257). Texas Education Code, Section 51.0032 requires a governing board to adopt a written investment policy, and the Public Funds Investment Act
requires a governing board to adopt a written investment policy and strategy, review the policy and strategy not less than annually, appoint an Investment Officer, and adopt internal controls to safeguard the System’s funds. The Public Funds Collateral Act sets the standards for collateralization of public funds in Texas.

08.2005  **Investment of System Funds.**

System funds shall be invested according to the attached Exhibit A, the Investment Policy Statement.

08.2006  **UNT System Investment Advisory Committee.**

Members of the UNT System Investment Advisory Committee shall be the Vice Chancellor for Finance, the Associate Vice Chancellor for Treasury, and the chief financial officers from each UNT Institution. The UNT System Investment Advisory Committee shall have oversight of investments in the UNTS LTP and STP, and maintain an active role in advising Managing Entities. The Vice Chancellor for Finance or the Associate Vice Chancellor for Treasury shall represent the System Investment Advisory Committee for all approvals needed by a Managing Entity regarding the LTP.

**References and Cross-references:**
Public Funds Investment Act (Texas Government Code, Chapter 2256)
Texas Education Code, Chapter 51, Subchapter A (Section 51.001, et. seq.)
University of North Texas System Board of Regents Rule 10.100
Uniform Prudent Investor Act (Texas Property Code, Chapter 117)
Uniform Prudent Management of Institutional Funds Act (Texas Property Code, Chapter 163)
Public Funds Collateral Act (Texas Government Code, Chapter 2257)

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