
INVESTMENT MANAGEMENT

Scope: All campuses served by Louisiana State University (LSU) Office of Accounting Services

Effective: May 1, 2012, last updated May 31, 2023

I. Purpose

- To provide for the implementation of and compliance with the State of Louisiana R.S. 49:327, LSU System Permanent Memoranda 9 “LSU System Investment, Banking Services, and Safeguarding of Deposits Policy” (PM-9), and any other contractual limitations and restrictions.
- To establish a clear understanding of the University’s investment goals and objectives.
- To define and assign responsibilities for investing activities and decisions.
- To define limitations regarding the investment of university assets.
- Establish a basis for evaluating investment results.

II. Goals & Objectives

level of spending consistent with donor intent.

- Security of the invested funds and protection of the invested principal.
- Investment yield, while a key factor, will be subordinate to liquidity and security considerations.

III. Investment Committee

The investment committee is comprised of the following University Managers,

- Accounting Analyst, FAR
- Appointee by the Executive Vice President of Finance and Administration & Chief Administrative Officer
- Representatives from Health Science Center New Orleans
- The investment committee is responsible for providing guidance and recommendations. Final investment decisions are the responsibility of university officials in accordance with the provisions of Section IX.

IV. Roles & Responsibilities

- Assess the goals and objectives for the University's excess cash balance and endowments to ensure sound investment decisions are made.
- Compile a daily cash report projecting the cash position for the day.
- Analyze bank balances, checks issued, outgoing wires, ACHs, incoming deposits and any other bank related activity using the online banking portal of the contracted financial institution(s).
- Provide historical cash data for the investment committee meetings to assess cash needs.
- Submit a quarterly report on the investment portfolio to the Board of Supervisors.
- Prepare a report on projected investment income after the third quarter, or as requested.
- Transcribe minutes of the investment committee meetings.
- Prepare accounting entries for all investment transactions.
- The Investment Manager then
 - initiates all trading activities, approved per Section IX below, to include investment purchases and communication with the custodial banks;
 - prepares a monthly report on the investment portfolio to be reviewed at the investment committee meetings that details fluctuations in market value of the portfolio and includes yield analysis, and

IX. Investment Transaction Approval

- Investment transactions must receive the following approvals prior to the execution of each transaction. Written documentation of each investment decision along with the purchase confirmations will be retained electronically.
- Investment transactions conducted to “swap” investments of the same type and amount can be authorized under a blanket approval from the investment committee. These “swaps” are typically time sensitive and do not require any additional funds to be sent to the custodial financial institution. They are conducted to take advantage of more beneficial terms.

Investment Threshold*	Approval Required
Less than \$5 million	FAR Director and at least one other member of investment team.
\$5	