

CASH MANAGEMENT

A. Purpose

The purpose of this policy is to ensure adequate liquidity without being underinvested. The University of Texas - Rio Grande Valley (UTRGV) has adopted the following policy regarding the banking arrangements it maintains at local banking institutions and the Allocation for Non-Endowment Funds Policy Statement of The University of Texas System.

B. Persons Affected

This policy applies to all employees of The University of Texas Rio Grande Valley (UTRGV).

C. Definitions

Not Applicable.

D. Policy

UTRGV will aim to maintain a minimum daily balance between \$100,000 and \$300,000 at a local banking institution for operational liquidity with amounts in excess thereof being invested in accordance with the Allocation for Non-Endowment Funds Policy Statement.

1. *Local Banking Arrangements:*

UTRGV will select from one of the banks that the University of Texas System has master banking services agreements with. The System has Master Depository and Master banking services agreement with several banks from which all University of Texas System Institutions can select. The banks are chosen through a competitive bid process. The agreement entered between the local bank and UTRGV will be for the period prescribed by the contract in place between the bank and University of Texas System.

2. *Centralized Cash Management:*

Although the Board of Regents of The University of Texas System has overall fiduciary responsibility for the investment of Endowment and Non Endowment Funds, the Board has appointed The University of Texas Investment Management Company (UTIMCO) to invest these funds consistent with Board's policy.

Non- Endowment Funds in excess of that needed for operational liquidity shall be invested consistent with the Allocation for Non-Endowment Funds Policy Statement that became effective on February 1, 2006. Non- Endowment Funds invested with UTIMCO shall be allocated between the Short Term Fund and the Intermediate Fund in accordance with this policy.

Endowments shall be invested in the General Endowment Fund (GEF), in accordance with the General Endowment Fund Investment Policy Statement, unless the endowment instrument precludes the commingling of assets or holds illiquid assets. Endowments precluded from commingling assets or that hold illiquid assets shall be separately invested in accordance with the Separately Invested Endowment, Trust, and Other Accounts Investment Policy Statement.

E. Responsibilities

1. The Executive Vice President for Finance and Administration is responsible for the implementation of this policy, but may delegate the daily operation and policy compliance to a named delegate.
2. UTRGV's Associate Comptroller – Treasury Operations is responsible for reviewing and evaluating policy compliance for Endowment Funds on a quarterly basis.

F. Procedure

Not Applicable.

G. Relevant Federal and/or State Statutes, Board of Regents Rule, UTS Policy, and/or Coordinating Board Rule

UTS166, Cash Management and Cash Handling