Investment Policy for Tax-Exempt Bond Proceeds at UConn

Investment Objectives:

A major responsibility of the Manager of Treasury Services at the University of Connecticut is to invest funds, not immediately needed for payment to bondholders, project construction, and/or the operations of the University, in order to enhance the University's investment income. Permissible investment obligations are consistent with Connecticut State Law, and in the case of bond proceeds, are defined in the Indentures. In keeping with these fiduciary responsibilities, all investment decisions made by the Manager of Treasury Services consider the risk adjusted return, and are subject to the following constraints: safety, liquidity, indenture and legal requirements, tax considerations, and other constraints.

Safety:

The single most important objective of this investment program is the preservation of the principal of those funds within the portfolio.

Maintenance of Liquidity:

The portfolio shall remain sufficiently liquid to enable it to meet all debt service and project spending requirements which might be reasonably anticipated. Individual funds and accounts are invested upon consideration of each fund's permissible horizon relative to the slope of risk adjusted return.

Return:

The portfolio is managed in such a fashion as to generate an efficient risk adjusted return subject to the above constraints through budgetary and economic cycles.

Arbitrage Management:

Tax-exempt bond funds will be invested subject to the applicable arbitrage considerations including the Tax Regulatory Agreements. It is important to preserve exceptions where permissible. The Office of Treasury Services will calculate any arbitrage rebate on the revenue bonds resulting from such an investment.