



Campus Administrative Policy

Policy Title: Treasury Pooled Investment Earnings

Policy Number: 2043A

Functional Area: Finance

Effective: March 1, 2000

Date Last Amended/Reviewed: March 1, 2000

Date Scheduled for Review: July 1, 2007

Supersedes: New Policy

Approved by: Vice Chancellor for Administration and Finance

Prepared by: Associate Vice Chancellor for Finance and Administration

Reviewing Office: Provost and Executive Vice Chancellor for Academic and Student Affairs

Responsible Officer: Provost and Executive Vice Chancellor for Academic and Student Affairs

Applies to: CU Anschutz Medical Campus

A. Introduction

1. Purpose

The purpose of this policy is to establish guidelines for the recording and distribution of Treasury Pooled Investment Earnings (PIE) at the University of Colorado Denver Anschutz Medical Campus.

2. Responsibility

It shall be the responsibility of the Controller and the Associate Vice Chancellor for Financial and Business Services to ensure that no violation of this policy occurs.

B. Applicability and Definitions

1. Applicability

This policy applies to all CU Anschutz programs and projects, except for the Gift Fund which does not receive a share of the Treasury Pooled Investment Earnings.

2. Definitions

- a. Full Earnings Rate is the rate earned by the University Treasury on short-term investments. This rate is calculated based on Federal requirements.
- b. PIE is an acronym for Pooled Investment Earnings.

C. Policy

1. General

University cash is invested by the University Treasury and earns interest income. A portion of the total earnings is used to fund certain University requirements. The remainder is then distributed to the campuses and, ultimately, to individual programs/projects.

2. Distribution of Investment Earnings to the Campus

The University Treasury distributes investment earnings to the campuses on a monthly basis for most programs/projects. The distribution is based on prior year cash balances. Amounts earned by Gift Funds, Student Fees, Internal Service Units and Student Loans are excluded from this distribution. Interest earned by Gift Funds is used to pay for the University Development Office. Interest earned by Student Fees, Internal Service Units and Student Loans is distributed as explained in Section III.C. of this policy.

The monthly amount distributed to the campuses is allocated to individual programs/projects and to the Chancellor based on current year cash balances. The allocation will be based on average cash

balances for each quarter and the distribution will be made in the month following the end of the quarter, e.g. October, January, and April except for fiscal year end when it will be made in June.

3. Full Earnings Programs/Projects

Some programs/projects are legally required to receive the full amount of investment earnings based on the short-term actual earnings rate of the University Treasury for the fiscal year. Student Fees, Internal Service Units and Federal Student Loan programs are required to receive full investment earnings. These programs receive amounts directly from the University Treasury and will be identified by unique PIE attributes in the PeopleSoft accounting system.

4. Cash Deficits

Programs or projects in the Auxiliary Fund (Funds 20, 28 or 29) that incur an average cash deficit for a quarter will be assessed an interest charge at the rate of 7.5% of the average cash deficit for the quarter. Programs or projects in the Plant Fund (Funds 71, 72, 73, or 74) that incur an average cash deficit for a quarter will be assessed an interest charge equal to the positive earnings rate for that quarter. These assessments will be added to the amount available to be distributed to the other campus programs/projects.

5. Federal Sponsored Projects

Federal sponsored projects that require full interest earnings will be identified and the total amount due will be calculated by the CU Anschutz Finance Office. The Treasurer's Office will credit to each full earnings project the difference between the amount distributed by the campus and the full earnings amount.

6. Chancellor's Investment Earnings

The CU Anschutz Chancellor receives 50% of the campus earnings adjusting for campus commitments and the negative average cash

balances. Certain campus commitments (see Section III.G. of this policy) are exempted.

7. Campus Commitments

CU Anschutz activities such as Parking, GME and Retirement of Indebtedness programs are entitled to 100% of investment earnings and do not allocate 50% of interest earnings to the Chancellor. Approval to receive 100% of investment earnings is required in writing by the Associate Vice Chancellor for Financial and Business Services or their designee.

8. Combining Projects/Programs for Investment Earnings

PeopleSoft programs/projects generally may not be combined for investment income purposes. Any exception to this policy must be approved in writing by the Associate Vice Chancellor for Financial and Business Services or their designee.

Notes

1. Dates of official enactment and amendments:
March 1, 2000: Adopted by Vice Chancellor for Administration and Finance
Updated and amended
2. History:
September 27, 2018: Amended to reflect a Campus-wide effort to recast and revitalize various Campus policy sites into a standardized and more coherent set of chaptered policy statements organized around the several operational divisions of the university.
3. Initial Policy Effective Date: March 1, 2000
4. Cross References/Appendix:
 - Federal Agency policies concerning interest earnings on Federal monies, e.g. Department of Education, etc.
 - CU Anschutz Service Center Policy