Policy Summary
This policy defines the principles for interacting with the University of Wisconsin System Office of Trust Funds in regards to investment transfer requests between the 161-Income Cash Fund and the 162-Long Term Fund.

Policy Application
This policy applies to all University of Wisconsin-Madison personnel involved in the receipt and use of Trust Funds assets held in Fund 161 and 162. Campus and divisional leadership have a responsibility to ensure individuals involved in accepting and/or using Trust Funds assets are fully informed and understand this policy and the Policies and Procedures listed on the Office of Trust Funds website.

Rationale
The University of Wisconsin-Madison has a responsibility to assure appropriate stewardship of Trust Funds assets that support the University, and to ensure compliance with state laws and the University of Wisconsin System policies and procedures regarding Trust Funds assets.

Policy Detail

I. Investment Options
As of March 31, 2018 there are two investment options for Trust Funds assets: the 161-Income Cash Fund and the 162-Long Term Fund. Trust Funds account/project holders will be able to invest fully expendable monies in the Long Term Fund, in part or in whole, if a longer-term orientation is appropriate. Requests to transfer monies to the Long Term Fund should be communicated to the Office of Trust Funds, which will consult and advise as appropriate.

II. Investment Transfers
This policy describes how departments/units are to initiate investment transfers, i.e., transfers from the Income Cash Fund to the Long Term Fund, or from Long Term to Income Cash.

UW System Trust Funds updates the market value of the Long Term Fund only as of the end of each calendar quarter. Accordingly, this is also when transactions for the Fund are processed – i.e., new contributions, withdrawals, and fee/expense assessments. The determination of these quarter – end figures, the related accounting allocations and journal entries, and the actual
movement of invested dollars normally take place within ten business days following each quarter-end close.

To affect investment transfers between the Income Cash Fund and the Long Term Fund, the following steps should be followed:

1. If desired, consult with the Office of Trust Funds, who can advise on investment-related questions, the investment parameters of the Long Term and Income Cash Funds, and the appropriateness of various Fund allocations. Contact the Director and/or Senior Accountant at the Office of Trust Funds (see UW System Trust Funds website).

2. Submit requests for investment transfers to the Office of Trust Funds in writing, no later than five business days before quarter-end for the transfer to occur at that quarter-end. Requests received after that deadline will not be processed until the subsequent quarter-end.

3. Written requests for investment transfers should be in the form of a memo, approved and signed by the Divisional Financial Leader or higher level. These requests should be sent or emailed to the Director and/or Senior Accountant at the Office of Trust Funds (see website).

Note the following when contemplating transfers for the various classifications of Trust Funds accounts/projects:

- There are no restrictions as to the investment of or investment transfers for, fully “Expendable” accounts.
- For “Endowment” or “Designated Endowment” accounts, the Long Term Fund portion (the endowment principal or corpus) may never be withdrawn or transferred.
- For “Endowment” or “Designated Endowment” accounts, the Income Cash Fund portion represents the spending distributions made from the Long Term Fund on a regular basis. While a department/unit may decide to transfer (or reinvest) Income Cash Fund monies back to the Long Term Fund, these monies will then become a permanent part of the principal/corpus and can never be withdrawn or transferred thereafter.

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**Consequences for Non-Compliance**

Non-compliance with this policy or related procedures may result in additional controls being placed on access to Trust Funds assets, and/or discipline through established employment policies.

**Supporting Tools**

[Trust Funds Investment Options web page](#)
Responsibilities

**Dean/Director’s Office:** Serves as a liaison between the campus department and UW System Office of Trust Funds, and provides authorization for investment transfers.

**Division of Business Services, Accounting Services, Director of Financial Information Management:** Serves as a liaison between the campus department and UW System Office of Trust Funds when necessary.

**UW-Madison Campus Personnel:** Determines proposed investment transfers and provides transfer request and supporting documentation to its Divisional Dean/Director’s office for approval.

Link to Related Policies

[UW System Trust Funds Policies and Procedures](#)