

ATTACHMENT 3

FUNDS MANAGEMENT AGREEMENT

THIS AGREEMENT made and entered into this 16th day of May,

2018, by and between,

THE UNIVERSITY OF LOUISIANA AT LAFAYETTE

(herein called "University")

and the

UNIVERSITY OF LOUISIANA AT LAFAYETTE FOUNDATION

(herein called "Foundation");

WHEREAS, the Foundation is a tax exempt 501(c)(3) non-profit corporation, one of whose purposes is to receive and manage donations in the form of endowments, grants, and unrestricted gifts from private sources (hereinafter "Donations"), for the support of the University; and

WHEREAS, the Louisiana Board of Regents receives annual appropriations from the Louisiana Quality Education Support Fund ("Support Funds") to be expended for the purposes cited in Constitution Article 7, Section 10.1(D)(1) (currently collectively referred to as the "Endowed Chair and Endowed Professorships Program"); and

WHEREAS, certain Donations and Support Funds used by the University for the Endowed Chair and Endowed Professorships Program ("Program Assets") are subject to certain restrictions and guidelines from the Louisiana Board of Regents; and

WHEREAS, in order to maintain compliance with the Board of Regents' *Statement of Investment Policy and Objectives*, Foundation is capable of providing management and investment services for such Program Assets;

NOW, THEREFORE, the parties agree as follows:

1. The University and the Foundation have a current Affiliation Agreement that has been approved by the Board of Supervisors for the University of Louisiana System.
2. The Foundation may from time to time have on deposit funds derived from the Louisiana Education Quality Support Fund.
3. Program Assets will be accounted for, maintained, and invested by the Foundation in accordance with the Board of Regents' *Statement of Investment Policy and Objectives*.
4. The Foundation will establish investment policies that adhere to applicable federal and state laws and will make such investments thereof as are consistent with prudent investment management principles.
5. The Foundation will furnish to the University and the Board of Regents an annual accounting of all Program Assets and will recognize the Board of Regents' right, at its discretion, to audit the books and records of account of any Program Asset in accordance with the Board of Regents' *Statement of Investment Policy and Objectives*.
6. The Foundation may charge an investment/management fee not to exceed the maximum fee allowed by the Board of Regents' *Statement of Investment Policy and Objectives*. Such fee shall be reported to the Board of Regents in the year-end report.
7. In accordance with the Affiliation Agreement between the University and the Foundation, the Foundation's financial statements shall be audited annually in accordance with generally accepted auditing standards by an independent professional

auditor.

- a. The Foundation's engagement letter with the independent CPA will require that the auditor provide supplemental assurances that the Foundation has complied with this Funds Management Agreement, which includes compliance with the Board of Regents' *Statement of Investment Policy and Objectives*.
 - b. The Affiliation Agreement requires the independent professional auditor to furnish copies of his annual audit and management letter, if any, to the University and the legislative auditor. A copy of the annual audit and management letter, if any, shall also be submitted to the Board of Regents.
 - c. When the Foundation becomes aware of potential audit findings or exceptions involving Support Funds or the misuse of Support Funds, regardless of the status of any audit that may be in progress, such information shall be reported without delay to the Board of Supervisors for the University of Louisiana System and to the University President. The Board of Supervisors or University President may require specific corrective action as deemed necessary in order to protect the integrity of public funds held by the Foundation. Such corrective action may include the immediate withdrawal of some or all Support Funds held by the Foundation.
8. This Funds Management Agreement shall continue in full force and effect until terminated in accordance with the terms and conditions set forth in Paragraphs 3 and 4 of the "Terms of the Affiliation Agreement". Immediately upon termination of this agreement, the Foundation will provide the University with complete documentation of the Program's investment portfolio. The Foundation will then transfer Program

Assets back to the University in accordance with Paragraph 5 of the "Terms of the Affiliation Agreement".

9. Whenever any notice or demand is required or permitted under this Agreement, such notice or demand shall be given in writing and delivered in person or by certified mail to the following addresses:

University: President
The University of Louisiana at Lafayette
104 University Circle
P.O. Drawer 1008
Lafayette, LA 70504-1008

Foundation: The University of Louisiana at Lafayette Foundation
705 E. St. Mary Boulevard
P.O. Box 44290
Lafayette, LA 70504-4290

-and-

Chairman
The University of Louisiana at Lafayette Foundation
at such person's office of employment or business

10. This Agreement constitutes the entire agreement between the parties for funds management services and shall only be amended in writing, executed by all parties hereto.
11. Should the Foundation have on deposit any funds derived from the Louisiana Education Quality Support Fund (LEQSF), a separate accounting of those funds shall be made annually to the University. The report, submitted to the University no later than September list of each year, must include for each LEQSF deposit the following information:
- a. The principal amount of each account as of June 30th of the current year;

- a. A detailed listing of the investments for the fiscal period reflecting both the book value and the market value of each investment;
- b. A detailed listing of the investments for the fiscal period reflecting both the book value and the market value of each investment;
- c. The rate of return for each investment;
- d. The amount of interest earned during the fiscal year;
- e. The amount of interest earned from the inception of the fund;
- f. The amount of interest expended during the fiscal year;
- g. The amount of interest expended since the inception of the fund; and
- h. The new endowment base as calculated under provision D of the Board of Regents Investment policy.

12. LEQSF deposits shall be subject to audit by the Legislative Auditor and/or auditors assigned by the Board of Regents, and the Foundation agrees to make available all records pertaining to LEQSF deposits upon request.

[SIGNATURES ON FOLLOWING PAGE]

IN WITNESS WHEREOF, the parties have caused this Funds Management Agreement to be executed by their duly authorized officers as of the day and date first above written.

WITNESSES:

Mattie Cook
Print Name: Mattie Cook
Colette Billeaud
Print Name: COLETTE BILLEAUD

UNIVERSITY OF LOUISIANA AT LAFAYETTE

By: 
Dr. E. Joseph Savioe, President

WITNESSES:

Mattie Cook
Mattie Cook
Print Name: _____
Colette Billeaud
Print Name: COLETTE BILLEAUD

UNIVERSITY OF LOUISIANA AT LAFAYETTE
FOUNDATION

By: 
Wayne Elmore, Chairman, Board of Trustees