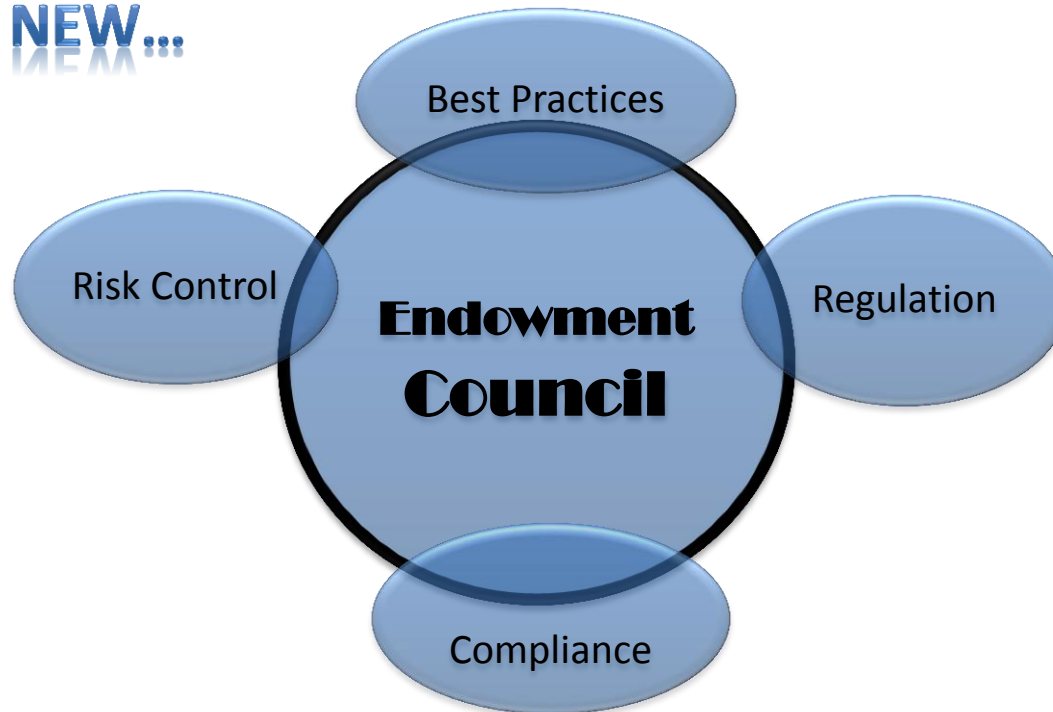


CUNY Investment Matters

CUNY Investment Pool Quarterly Newsletter

Volume. 1 October 2011

WHAT'S NEW...



DATE: Inaugural Meeting Endowment Council, October 4, 2011 at 12:00pm
WHERE: 230 West 41st Street 10th Floor Conference Room
RSVP: Alexandra Jean-Baptiste at alexandra.jean-baptiste@mail.cuny.edu

The CUNY Endowment Council will be a partnership amongst all investment decision-makers at CUNY and will be a crucial risk-control body for the University.

Continued on Page 3

Is your Foundation and its Portfolio NYPMIFA COMPLIANT?

It's been one year since the New York Attorney General's Office passed NYPMIFA. As part of the Attorney General's Office, the Charities Bureau is responsible for clarity and enforcement of the Act. CUNY has been advised that implementation of the Act's various provisions must be in place for fiscal year 2013, or no later than July 1, 2012. Therefore, in order to assist CUNY and its foundations who must legally comply, we have included a checklist of NYPMIFA requirements, along with a suggested timeline to ensure total compliance by July 1, 2012.

CHECKLIST

FY 2011

✓ Board Educated on Act's Requirements in 3 Key Areas:

1. Management & Investment of Institutional Funds;
2. Spending From Endowed Funds; and
3. Release/Modification of Gift Restrictions.

FY2012

✓ Board deliberated on investments and spending in light of NYPMIFA, made corresponding changes to policy and documented process.

✓ As part of this, Board verified accuracy of all information used in making decisions, including the portfolio's diversification. In addition vendor contracts and fees were verified for fairness and reasonableness in accordance with the Act.

✓ In light of significant, labor-intensive obligations, Board delegated certain responsibilities to ensure compliance with the Act and that there are no conflicts of interest.

✓ Donor files reviewed and communications to donors of endowed funds addressed, recorded and tracked.

✓ Spending regimes are documented based upon donor responses.

FY2013

July 1, 2012 the Portfolio is in **total compliance with NYPMIFA's provisions**—including related changes to accounting and record-keeping.

July 1, 2012 Board has concluded its Spending deliberations for FY2013. 1/ or June 1, 2012 for those foundations invested in the CUNY Investment Pool in order to permit the Pool to incorporate any changes to program codes for spending and subsequently develop and report related information to each participant.

Still Need Help?

We'd be happy to meet your foundation board to discuss the Pool's compliance, along with specific actions your foundation needs to take.

Also, it's not too late to contact donors of endowed funds by participating in CUNY's contract with Future Funds.

Contact J. Krone
@ 212-397-5696

CUNY INAUGURATES ENDOWMENT COUNCIL

Continued from page 1

WHY AN ENDOWMENT COUNCIL--

One of the few remaining areas without a representative body at CUNY is investments. And yet it is an area of significant complexity, global reach and increasing regulation. Also, given the constraints on public funds, it is important to focus on private donors. To successfully compete with other worthy causes trying to secure donations, we must gain their trust by ensuring we are good stewards and utilize best processes and practices as they relate to investments. Finally, with the advent of the New York Prudent Management of Institutional Funds Act, we must all comply to ensure our credibility and reputation with donors—both existing and prospective.

WHAT IS THE COUNCIL'S PURPOSE--

The main purpose of the Council is to provide a forum for our fiduciaries on best practices and regulations in order to ensure appropriate compliance and risk-controls are in place across the University. The Council will act as an investment resource to our fiduciaries whose time is increasingly scarce given the growing role of fundraising. Therefore, it is imperative that all of CUNY's fiduciaries are involved in a process to stay abreast of complex global investment strategies, direct and indirect fee arrangements with vendors in the industry, conflicts of interest and, in general, how best to supervise the management and investment of funds under their control.

WHO SHOULD PARTICIPATE--

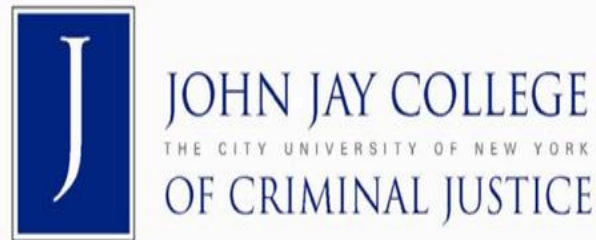
A key person on the foundation's investment committee along with a key investment person internal to your foundation.

FURTHER THOUGHTS--

Please come to the inaugural meeting where we will also discuss how best the Council can work together going forward, including suggested agendas.

IN THE SPOTLIGHT:

John Jay Foundation Board Votes for CUNY Pool



John Jay Foundation has approximately \$3.5 million in assets. With increasing complexity in global markets and challenging regulatory requirements, the Board decided to outsource the investment function to the Pool. Here's why—

Rob Pignatello: *We are launching a major Capital Campaign and our Board is focused on big-picture, macro investments issues. They want a well-diversified global portfolio with leading managers, good returns, competitive fees, as well as top-notch professional management to ensure all of the micro-details are addressed properly. The CUNY Investment Pool does that so we can focus on the core mission.*

Pat Ketterer: *They handle all of the necessary but time-consuming responsibilities for us in terms of supervising the management and investment of the assets and the administration in terms of custody, record keeping and reporting.*

Helen Cedeno: *The transition to the Pool went very smoothly and it is comforting to know that the Pool takes care of the significant compliance requirements mandated by NYPMIFA.*