

Financial Investments: Management of Complaints

Background:

The Board of Regents and its Investment Committee set investment policy in accordance with the Iowa Statutes, Iowa Code Chapter 12B. The Board delegates management and oversight authority for the investment program to each institution. The University of Iowa maintains an investment portfolio in accordance with the policy and procedures defined by the Board of Regents and for the purpose of assisting The University of Iowa in carrying out its educational mission. The Board and the University recognize their fiduciary responsibility to manage this portfolio wisely with the view of maximizing financial returns with a prudent level of risk.

Proposal:

The University will continue as a regular practice to make available through the Treasurer's Office web site, listings of all its direct investments.

At the University of Iowa an Investment Advisory Committee has been in place for many years to advise the Treasurer. The University of Iowa proposes that as a part of its duties, the Investment Advisory Committee receive and evaluate complaints from faculty, staff or students about any securities held within the University portfolios. Whenever the University's Investment Advisory Committee finds, following a complaint setting forth facts providing substantial evidence that the University has a direct investment in a company whose current policies or practices are causing substantial injuries to its employees, consumers or society as a whole that warrants shareholder concern, it shall advise the Treasurer of the University of its findings.

When the Committee advises the above conditions exist, the Treasurer shall consider the result and as appropriate, shall communicate those findings, as well as any Treasurer's office recommendations to the President of the University and the Board of Regents office.

Following submission of findings the University Treasurer may elect to take whatever action is deemed appropriate. Actions may include, without limitation, a decision to: (i) retain the investment without further action, (ii) communicate with the Board of Regents' investment advisors and appropriate fund managers regarding the investment, (iii) communicate with the company regarding the objectionable policies or practices, (iv) sponsor appropriate shareholder resolutions, or (v) recommend other measures including divestment to the Regents' Investment Committee. Any decisions to recommend divestment must take into account the fiduciary responsibility for the investments and the statutory criteria for investment of these public funds.

Should students, faculty or staff wish to address the Board directly on the University's investments or investment policy, the Board's process is as follows:

"Students, faculty, and staff may request an opportunity to appear before the Board to discuss matters of interest and may request that an item be included on the agenda. Such requests should be made in writing to the president of the Board with a copy to the president of the university concerned. The request should include a statement as to the reason why a personal appearance is desired or why an item should be included on the agenda. A statement as to the exhaustion of local campus remedies, including specific persons or groups approached and their disposition of the matter, should also be included in the request. The president of the Board is empowered to permit such person or persons to appear or an item to be on the agenda, if, in the president's judgment, it is appropriate or unless there are unusual circumstances."