

FUNDS MANAGEMENT AGREEMENT

THIS AGREEMENT made and entered into this _____ day of _____ 2____,

by and between

NAME OF UNIVERSITY
(herein called “University”)

and the

NAME OF AFFILIATE
(herein called “Affiliate”);

WHEREAS, the Affiliate is a tax exempt

Funds Management Agreement

WHEREAS, the Affiliate

Funds Management Agreement

accordance with the Board of Regents' *Statement of Investment Policy and Objectives*.

7. The Affiliate 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.
8. In accordance with the Affiliation Agreement between the University and the Affiliate, the Affiliate's financial statements shall be audited annually in accordance with generally accepted auditing standards by an independent professional auditor.
 - a. The Affiliate's engagement letter with the independent CPA will require that the auditor provide supplemental assurances that the Affiliate 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 Affiliate becomes aware of potential audit findings or exceptions involving Program Assets or the misuse of Program Assets, regardless of the status of any audit that may be in progress, such

Funds Management Agreement

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 Affiliate. Such corrective action may include the immediate withdrawal of some or all Program Assets held by the Affiliate.

9. This Funds Management Agreement shall continue in full force and effect until terminated by 120 days written notice by either party or by operation of law.
 - a. Should the University choose to terminate this agreement, the agreement shall continue in full force and effect until receipt by the Affiliate of the notice of termination, and any transactions entered into by the Affiliate prior to the receipt of such notice shall be binding upon the University.
 - b. Should any substantial misuse of funds or fraudulent activity on the part of the Affiliate be discovered, the University may, at its discretion, immediately terminate this agreement.
 - c. Immediately upon termination of this agreement, the Affiliate will provide the University with complete documentation of the Program's investment portfolio. The Affiliate will then transfer Program Assets back to the University based on the time schedule to be determined by the University.

