**R628. Money Management Council, Administration.**

**R628-24. Foreign Deposits for Higher Education Institutions.**

**R628-24-1. Purpose.**

To provide guidelines to higher education institutions when depositing funds in foreign countries.

**R628-24-2. Authority.**

This rule is issued pursuant to Subsection 51-7-17(4)(a) and Section 53B-7-601.

**R628-24-3. Scope.**

This rule relates to funds of higher education institutions that are either required by law of a foreign country to be deposited in the foreign country or are required by the terms of a grant, gift, or contract to be deposited in the foreign country.

**R628-24-4. Definitions.**

(1) The following terms are defined in Section 51-7-3 of Title 51, Chapter 7, Utah Money Management Act (the Act), and when used in this rule have the same meaning :

(a) "Council";

(b) "Nationally Recognized Statistical Rating Organization" or "NRSRO".

(2) For purposes of this rule "FDI" means foreign depository institution as defined in Section 7-1-103.

**R628-24-5. Requirements for Deposits.**

To be qualified for deposit under Section 53B-7-60 the FDI shall:

(1) be insured or otherwise have a similar protection if that country does not technically provide insurance;

(2) be rated "A" or better by one NRSRO; and

(3) be domiciled in a country in which the sovereign debt rating is "A" or better by the NRSRO.

**R628-24-6. Prohibited Deposits.**

(1) Use of FDIs in any country or territory described in this section is prohibited:

(a) Countries subject to sanctions by the Office of Foreign Assets Control (OFAC); and

(b) Countries and territories on the Financial Action Task Force's (FATF) list of high risk and non-cooperative jurisdictions.

(2) Financial Crimes Enforcement Network (FinCEN) advisories must be reviewed by the higher education institution to ensure that potential anti-money laundering and counter-terrorist financing risks associated with any country are assessed, identified, and avoided before establishing deposits in the FDI.

(3) The FDI may not be listed on the U.S. Treasury's Specially Designated Nationals (SDN) list.

**R628-24-7. Approval by the Council.**

(1) The Council must approve the FDI.

(2) Before approval by the Council, the higher education institution must present to the Council the reasoning and purpose for the use of an FDI.

(3) Upon review of such reasoning and purpose, the Council will decide whether to give final approval to allow funds to be deposited in the FDI.

(4) The Council may approve an FDI that does not otherwise fall within the requirement of Section R628-24-5. when other facts make it reasonably prudent to do so.

(5) In approving an FDI, the Council may place restrictions on the use of the FDI when the Council determines it would be reasonably prudent to do so. It is the responsibility of the higher education institution to monitor any restriction placed on the FDI and if violated, to notify the Council of the issue within 30 days of the violation and provide a plan of action in regard to the violation.

**R628-24-8. Reporting by Higher Education Institutions of Foreign Deposits.**

The higher education institution shall file a written report with the Council on or before July 31 and January 31 of each year containing the following information for deposits held on June 30 and December 31 respectively:

(1) Total market value of the deposit account which will include previous historical ending balances up to 3 years;

(2) Total market value of uninsured deposits in the deposit account, which will include previous historical ending balances up to 3 years;

(3) Debt rating of the FDI; and

(4) Debt rating of the country in which the FDI is located.

**KEY: foreign deposits, higher education, public funds**

**Date of Last Change: June 21, 2024**

**Authorizing, and Implemented or Interpreted Law: 51-7-4(1)(b)(iii); 51-7-17(4)(a); 53B-7-601**