



MICHIGAN STATE UNIVERSITY
BOARD OF TRUSTEES
Executive Action Summary

Budget and Finance-Attachment 1

Committee Name: Budget and Finance

Date: December 12, 2025

Agenda Item: Establishment of the Advisory Committee for Responsible Investing (ACRI)

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Information

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Review

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Action

Resolution:

BE IT RESOLVED that the Board of Trustees hereby approves the charter and associated criteria for the Advisory Committee for Responsible Investing (ACRI), in alignment with BOT 607, *Investment Policy Statement*.

Recommendation:

The Trustee Committee on Budget and Finance recommends that the Board of Trustees approve the creation of the Advisory Committee for Responsible Investing (ACRI) and the proposed charter and associated criteria.

Prior Action by BOT:

The Board of Trustees adopted revisions to BOT 607: Investment Policy Statement on December 13, 2024. These revisions included the e a new external advisory committee—now titled the Advisory Committee for Responsible Investing (ACRI)—to review requests for investment changes based on non-financial reasons.

Responsible Officers:

Philip Zecher, Chief Investment Officer

Lisa Frace, Senior Vice President, Chief Financial Officer and Treasurer

Summary:

On December 13, 2024, the Board of Trustees approved revisions to BOT 607: Investment Policy Statement. The updated policy reaffirmed the board's fiduciary responsibility over all University investments.

The 2024 policy changes require the board to establish a committee, appointed by the president, to consider requests for investment changes for non-financial reasons, prompted by extraordinary circumstances. This committee is to operate under specific, objective instructions established by the board.

In accordance with this directive, the Advisory Committee for Responsible Investing (ACRI) has been proposed. Under the proposal, ACRI will serve as the body responsible for receiving, reviewing, and analyzing requests for investment changes based on non-financial reasons and for providing recommendations to the president consistent with the principles articulated in BOT 607. A charter and associated criteria have been drafted to implement the process envisioned in BOT 607.

Source of Funds:

Not applicable.

Resource Impact:

Not applicable.



Board of Trustees of Michigan State University

Charter for the Advisory Committee for Responsible Investing (ACRI)

Effective Date:	December 12, 2025
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Introduction

At Michigan State University, the Board of Trustees is the ultimate fiduciary for the University's financial assets and any investment-related decisions rests solely with the board. In keeping with the tenets of institutional restraint and in upholding its fiduciary duty to the institution and to the generous donors who have entrusted their legacy to the University, Michigan State University's investments will be based solely on financial considerations, such as their expected return, risk, and adherence to applicable laws.

The board acknowledges that there may exist extraordinary circumstances in which the University may wish to consider changes to its investment pools for non-financial reasons. To make such a determination, the board establishes this Advisory Committee for Responsible Investing (ACRI), as an advisory body to the President of the University, as prescribed in [Board of Trustees Policy 607: Investment Policy Statement](#). The Committee is responsible for receiving requests from students, faculty, and staff regarding the makeup of the University's current investment pools. The Committee will provide analysis and recommendations to the president for requests submitted which it decides to explore. The Committee will do so utilizing a set of prescribed criteria, outlined below.

ACRI operates under the fiduciary duty of the board, and its designee the president, to use its investment funds to directly support and benefit the students, faculty, and staff of Michigan State University. It would be a violation of that fiduciary duty to alter the investment pools such that the University opts to lower its own financial return and resources, thus reducing available

support for students, faculty, and staff, to benefit any party other than, and/or at the expense of, the aforementioned.

Criteria for Consideration of Requests

ACRI may consider requests by students, faculty, and staff to alter the existing allocation of the investment pools. ACRI is not obligated to consider all requests brought forward by the community, but it should do so when extraordinary circumstances are demonstrated or if a committee member chooses to advance such a request.

ACRI shall review requests based on the following prescribed criteria.

1. **Extraordinary Circumstance:** Has the request established that there is some extraordinary circumstance that is well-defined, well-established, and supported by readily available evidence? Does this request identify how the recommended action(s) are responsive to this extraordinary circumstance?
2. **Considerable, Thoughtful, Sustained Campus Interest:** If there is considerable, thoughtful, and sustained campus interest in an issue involving the actions of a company or companies in the University's investment portfolio, the Committee may explore the issue further. The Committee will determine what constitutes "considerable, thoughtful, and sustained campus interest" in each case and report its conclusions to the president if a recommendation is extended. It may be appropriate, for example, that an issue be raised multiple times over an extended period to qualify for consideration. The Committee will also consider the magnitude, scope, and representativeness of the expressions of campus opinion in making this determination. In making such a determination, the Committee should consider alternative viewpoints that may be held across the campus.
3. **University Core Value:** If the Committee identifies that a request meets the standard of being an extraordinary circumstance with sufficient, sustained campus interest that should be explored further, the Committee will then try to determine if there is a central University value clearly at stake (<https://strategicplan.msu.edu/mission>).

If the Committee determines that there is not a central University value clearly at stake, it will document that finding and make no recommendation that further action be taken. If the Committee determines that a central University value is clearly at stake, it will recommend that the issue be examined further, as described below.

4. **University Response:** Next, the Committee will seek to determine whether it is possible for the University community to reach a consensus on how the University should respond to the situation. Such a response must be both general and specific; i.e., any recommendation for a University response on such an issue must make a clear and explicit connection between the general core values of the University and the specific investment, its associated entity, and how it aligns with the fiduciary responsibility of the board. In this process, the Committee seeks ways to respond that are genuinely affirmative, that offer at least some possibility of constructive impact, that are consistent with the fundamental character of the University as an academic institution, that can merit broad support through the University, and do not violate the duty of the board in providing fiduciary direction for the use of investment pool funds.

If no such consensus is possible on the specific action being proposed, the Committee would make no recommendation for any further action. If it is possible to reach a consensus position on both the general issue and the specifics of the proposed action, the Committee would recommend potential action based on the five criteria outlined in the Outcome Phase of this charter.

Membership

1. The president is responsible for appointing all members of this advisory committee, voting and non-voting.
2. The president can seek input for voting members from any member of the University community. The President will strive to appoint a committee that is broadly representative of the varied backgrounds, experiences and constituencies of the university.
3. Members of ACRI shall be committed to the charge outlined in this charter and shall have experience in conducting comprehensive analysis and providing subsequent recommendations.
4. The voting membership of the committee shall include:
 - Three (3) MSU faculty members. The Faculty Senate shall submit at least two nominees for one of the positions. The President must select one of the nominees submitted by the Faculty Senate.
 - Four (4) MSU students:
 - o Two (2) undergraduate students. ASMSU shall submit at least two nominees to fill one of the undergraduate student positions. The President must select one of the nominees submitted by ASMSU.
 - o Two (2) graduate and professional students. COGS shall submit at least two nominees to fill one of the graduate & professional student positions. The President must select one of the nominees submitted by COGS.
 - Three (3) members of the MSU staff.
 - Three (3) at-large members representing the broader MSU community not inclusive of the above, such as administrators, alumni, community partners, emeritus faculty or staff, etc.
5. Ex-officio members to the Committee may be appointed at the discretion of the president at any time.
6. The Office of the President will provide administrative support to the committee for operational purposes such as scheduling and record-keeping.
7. Members terms shall be as below:
 - a. Faculty members serve a two-year term.
 - b. Student members serve a one-year term.
 - c. Staff members serve a two-year term.
 - d. At-large members serve a two-year term.
 - e. Member terms are renewable by the president for an additional term. If an individual fills a partial term, the individual is eligible to additionally serve two full-terms.
 - f. The terms of committee members at the initial formation of the committee may be staggered by the president.
8. The president shall appoint a Committee Chair ahead of the first meeting of each academic year.
- 9 The Committee Chair shall serve for the period of one-year and may be reappointed in subsequent years at the discretion of the president.

11. The president will fill vacant positions as quickly as reasonably possible.
12. A quorum is achieved with 2/3 of the committee members in attendance, with each stakeholder group (*e.g.*, faculty, students, staff and at-large) represented by at least one member.
13. Conflict of Interest – Disclosure, Management, and Recusal
 - a. When cases are brought to ACRI, committee members shall clarify their relationship, if any, to the issues involved and disclose all potential, actual, or perceived conflicts of interest. In assessing and managing conflicts of interest, the Committee will rely on the [University's Conflict of Interest and Conflict of Commitment Policy](#), including but not limited to the definition of conflicts of interest contained in that policy:

“A potential conflict of interest happens when an individual’s outside relationships or activities outside of the University affect, appear to affect, or have the potential to affect their professional judgment or obligations and responsibilities to the University.”
 - b. Committee members have the responsibility to recuse themselves from issues when there is a conflict of interest.
 - c. Following disclosure of potential conflicts of interest and/or conflicts of commitment, and in instances where a committee member does not voluntarily recuse themselves, the conflict will be reviewed and discussed by the members of ACRI. A determination can be made, by majority vote, that a member with a conflict should be recused from consideration of the matter under consideration by the Committee.

Guidelines for ACRI Operations

The Committee will devise and maintain a set of operational guidelines to supplement the framework below by which it conducts its procedural and operational business.

Submission Phase

MSU students, faculty, and staff may make written requests to ACRI to consider matters relevant to its charge via an official submittal process. Submissions should include a clear description of the extraordinary circumstance to be considered, specification of the University investment in question, and a specific recommendation(s) for action or remediation. It is the responsibility of the requestor to provide direct evidence and/or sources in support of the extraordinary circumstance(s) identified.

Review Phase

In considering a submitted request, ACRI will utilize the criteria and guidelines approved and provided by the Board of Trustees in this charter under the authority of Section 3.C of BOT Policy 607.

ACRI will conduct Committee business according to the rules outlined in its charter and operational guidelines, including meetings, voting rights and procedures, documentation, and reporting.

Outcome Phase

After careful and thorough review of the issue under consideration, ACRI may recommend one or more of the following actions to the president:

1. that letters of inquiry and/or protest be directed to the party(ies) involved, expressing the University’s concerns and requesting further information, and that (in appropriate cases) such letters establish specific terms and deadlines for the correction of the

- extraordinary circumstance involved and suggest that the University might refrain from or alter further resource use or expenditure if these terms are not met;
2. that the University make its views on these issues known to the public, balancing any potential statements in the confines of the University's stated position in exercising [institutional restraint](#);
 3. that the University cooperate with other interested groups and institutions to exert additional pressure upon the party(ies) involved to correct the extraordinary circumstance;
 4. that the University consider an alteration to the investment pool use; this does not take the form of a specific investment directive, which falls under the responsibility of the Chief Investment Officer or Chief Financial Officer, but instead is a recommendation for a type of action (e.g., investment, divestment, exclusion from the investment pools, etc.);
 5. that the University pursue any other measures the Committee deems likely to be constructive

ACRI shall not recommend any action that advances a position on social or political questions unrelated to the use of certain University investment pool resources under consideration. The Committee should be mindful that partisan political advocacy is not consistent with either the University's commitment to academic freedom or its status as a 501c(3) corporation. ACRI's recommendations will be forwarded to the president by the Committee chair. The Committee's recommendations to the president should state clearly the basis for the recommendations as it relates to the principles in this charge. All committee recommendations will be posted publicly by the University. The president, at their discretion, may forward Committee recommendations to the board for consideration. The board will only consider requests that have followed this process.

Committee Decision-Making Workflow

1. Is there an established, extraordinary circumstance which can be impacted by the University undertaking the recommended action?

If NO, recommend no action.

If YES, go to 2.

2. Is the underlying issue of significant importance in terms of considerable and continuing campus interest?

If NO, recommend no action.

If YES, go to 3.

3. Is there a central University value clearly at stake?

If NO, recommend no action.

If YES, go to 4.

4. Is it possible to develop a collective position that reflects this value and relates to corporate action in a fair and consistent manner?

If NO, recommend no action.

If YES, go to 5.

5. ACRI develops recommendation(s) for the president that may include one or more of the following:

1. that letters of inquiry and/or protest be directed to the party(ies) involved, expressing the University's concerns and requesting further information, and that (in appropriate cases) such letters establish specific terms and deadlines for the correction of the extraordinary circumstance involved and suggest that the University might refrain from or alter further resource use or expenditure if these terms are not met;
2. that the University make its views on these issues known to the public, balancing any potential statements in the confines of the University's stated position in exercising [institutional restraint](#);
3. that the University cooperate with other interested groups and institutions to exert additional pressure upon the party(ies) involved to correct the extraordinary circumstance;
4. that the University consider an alteration to the investment pool use; this does not take the form of a specific investment directive, which falls under the responsibility of the Chief Investment Officer or Chief Financial Officer, but instead is a recommendation for a type of action (e.g., investment, divestment, exclusion from the investment pools, etc.);
5. that the University pursue any other measures the Committee deems likely to be constructive

6. The president may forward potential recommendations to the board for further consideration.