Foreign Currency Policy

16th June 2026

Version 1.0

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South East Technological University

Document Details

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Consultation Details	
Internal 1	
Name:	Finance Manager and Vice President of Finance
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Revision History

Previous Version No.	Summary of Amendments	Version No.
N/A	First draft – Review by Finance Managers.	0.1
0.1	First draft – Review by Finance Managers & Vice President Finance.	0.2
0.2	Second Draft – Updated following review by Policy Review Group	0.3
0.3	Approved by Governing Body 16th June 2026	1.0

[1] Internal consultation with other departments within the University should be noted.
[2] Other for instance staff representatives or other stakeholders.

Publication Details	
Where	**Date**
SETU Governing Body Policies Website	
All Staff Email	

Feedback or issues arising on implementation of this policy should be communicated to the policy author.	
Policy Author	Vice President Finance / Financial Controller

Policy Management Framework Compliance Review as requested by EMT all draft policies should be reviewed by the Policy Review Group in advance of review by EMT. Please confirm that the policy was reviewed by the policy review group.	
Date Policy Reviewed:	13th January 2026

Contents

Document Details 1

Contents 3

1. Introduction/Context 4
2. Purpose 4
3. Scope 4
4. Principles 4
5. Definitions 4
6. Policy 5
7. Responsibility and Authority 5
8. Compliance 5
9. Useful Links 5
10. Review of Policy 6
11. Policy Author 6

1. Introduction/Context

This document sets out the Foreign Currency policy of South East Technological University, (hereinafter referred to as 'SETU' or 'the University' as appropriate).

The University primarily operates in euro and seeks to minimise transactions involving foreign currency. Foreign currency transactions occur, such as invoicing for international student fees or making payments to overseas authorities and suppliers.

2. Purpose

This policy outlines the University's approach to managing foreign currency exposure arising from transactions denominated in currencies other than euro. It aims to reduce foreign currency risk.

3. Scope

The policy applies to all members of the University who engage in business on behalf of the University with partners outside of the Euro zone.

The policy shall be made available and published publicly via the University website.

4. Principles

- The University's preferred currency for all transactions is Euro.
- Foreign currency transactions are entered into when necessary for operational purposes.
- The University seeks to minimise foreign currency risk.
- The University retains full responsibility for treasury matters and the safeguarding of funds, in compliance with its Treasury Management Policy.

5. Definitions

Foreign currency risk: The risk that the University's financial position may be affected by fluctuations in foreign exchange rates. This risk arises when transactions, assets, or liabilities are denominated in a currency other than the University's functional currency (Euro) and exchange rate fluctuations occur between the initial transaction and final settlement. Examples include payments to suppliers or service providers in foreign currencies.

Foreign currency exposure: The extent to which the University has unhedged assets or liabilities in a currency other than its functional currency (Euro) at any given point in time.

Currency Service Provider: An external institution authorised to provide foreign exchange services to the University. Such services may include currency conversion, international payments, and hedging instruments.

Hedging: A financial risk management strategy that may be employed by the University to mitigate the impact of adverse movements in foreign exchange rates. Hedging may involve the use of approved financial instruments such as forward contracts, options, or swaps. The principle being that the exchange rate is fixed for the value of the foreign currency transaction, so the University has no further exposure to exchange rate movements.

Statement of Financial Position: A formal financial statement that presents the University's assets, liabilities, and reserves at a specific point in time. It provides a snapshot of the University's financial standing and forms part of its statutory financial statements. [SETU Financial Statements]

6. Policy

The University seeks to transact primarily in Euro in order to minimise foreign currency risk. It is recognised that there will be occasions when the University will conduct business in non-Euro currencies.

- **Invoicing:** The University policy is to raise invoices in Euro. Foreign currency invoicing will only occur in limited circumstances, such as fees for international students from partner institutions with agreed conversion terms.
- **Purchases / Payments:** The University policy is to make purchases in Euro. Foreign currency purchasing transactions are entered into as required for business purposes.
- **Bank Accounts:** The University does not maintain foreign currency bank accounts. This position may be reviewed if transactional volumes or costs increase significantly.
- **Hedging:** No hedging arrangements are currently in place, but the University reserves the right to implement strategies in the future if it is deemed necessary in the management of potential exposure from exchange rate fluctuations.
- **Accounting Policy for Foreign Currencies:** Transactions in foreign currencies are recorded at the rate of exchange at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the Statement of Financial Position date are reported at the rates of exchange prevailing at that date.

7. Responsibility and Authority

All foreign currency financial arrangements must be approved by the Finance Manager and Vice President for Finance.

8. Compliance

It is expected that all employees of the University will comply with this policy.

9. Useful Links

[SETU Statements & Policies]

10. Review of Policy

This policy will be reviewed in advance of the review date and/or as soon as possible following new or updated legislation, national or sectoral policy.

11. Policy Author

The author of this policy is the Finance Manager. Any feedback or issues arising on implementation of this policy should be communicated to the policy authors. They are responsible to ensure that the Policy Owner is aware of these comments when reviewing the policy.