

Treasury Management Policy

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1. Introduction/Context

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

Treasury Management comprises the management of all monies and capital market transactions in connection with the cash and funding resources of the University.

Treasury Management within SETU is managed by the Finance Function.

2. Purpose

The purpose of this policy is to ensure the University's cash resources are managed as efficiently as possible and that the University has sufficient resources to meet its operational and funding requirements both in the short and long term.

3. Scope

Treasury operations in SETU comprise:

- Liquidity and Funding.
- Cash Management.
- Investment of Surplus Cash.

This policy applies to all Cash resources.

It shall be made generally available and published publicly via the University web-site.

4. Principles

The Treasury strategy undertaken by the University will have regard to:

- The safeguarding of monetary assets.
- The risk appetite of the University. The risk appetite of the University is currently Risk Adverse.
- The maintenance of a stable funding position for the University.
- The need to ensure that the University has sufficient and appropriate resources available to it to meet both its short-term and its planned long-term funding requirements.
- Relevant legislation and recommended accounting standards.
- The current levels of short term and long-term interest rates.

5. Policy

5.1 Liquidity and Funding

SETU must ensure the availability of and access to sufficient funds to enable it to meet its short-term and medium-term requirements as set out in the University's Budget.

SETU must ensure the provision of relevant funding for its Capital Programmes.

Major Capital works will be funded and structured on a case-by-case basis depending on the details and requirements of the project in question.

5.2 Cash Management

SETU will manage current account balances to maximise levels of surplus funds available for investment and liquidity.

The Finance function will be responsible for Cash Management for SETU.

SETU will minimise the number of bank accounts in order to maintain tight control over the operation of such accounts.

To further reduce the costs of managing funds, SETU will seek to transfer surplus balances into deposit accounts on a timely basis where such action results in a better economic outcome.

All bank account balances are reviewed weekly by the Finance function and reported as required to the Finance Manager.

Procedures relating to Cash Handling are outlined in Appendix I.

5.3 Investment of Surplus funds

As a public body, the primary objective in investing surplus funds is to protect the capital value of such funds at all times through the use of appropriate investment instruments and products meeting defined credit risk criteria.

The investment instruments and products currently deemed suitable are Irish Government Treasury Notes and Commercial Bank Deposits.

Criteria applied to the selection of Counter Parties for Investments are set out in Appendix II.

The Finance function will manage the investment of SETU funds including bank accounts under its control.

Funds must only be invested for periods for which the surplus cash balances are forecast to remain in place. This will be based on data contained in the annual budget or the latest cashflow forecast.

6. Responsibility and Authority

Authority for all Bank mandates has been delegated by the Governing Body to the Chair of the Governing Body and relevant Vice Presidents. Each bank used by the University is supplied with a list of officials authorised to sign as per the bank mandate signing instructions, together with their specimen signatures.

The opening or closing of a bank account for dealing with University funds shall only be done in accordance with the authorised bank mandate. All bank accounts shall be in the name of the University. No other division, department or section shall be empowered to operate a bank account relating to their or any other University activity. Similarly, no cheques or financial instruments made payable to the University shall be endorsed and credited to any other account.

The Vice President Finance is responsible for liaising with the University's bankers regarding all strategic banking decisions.

Finance Managers are responsible for ensuring that all bank accounts are subject to regular reconciliation and that large or unusual items are investigated as appropriate.

Finance Managers have responsibility to ensure that funds are allocated appropriately by anticipating cash flow requirements.

The principal roles and responsibilities in relation to Treasury Management in SETU are summarised below:

Governing Body	<ul style="list-style-type: none">• Approve Treasury Management Policy.
Audit & Risk Committee	<ul style="list-style-type: none">• Receive and review annual Treasury report from a risk perspective.• Review internal and external audit reports on Treasury activities.
Finance & Capital Investment Committee	<ul style="list-style-type: none">• Review Treasury Management Policy.• Receive and review annual Treasury report.• Review internal and external audit reports on Treasury activities.
Vice President Finance	<ul style="list-style-type: none">• Review and recommend the Treasury Management Policy to the relevant Governing Body committee and the Governing Body.• Approve proposed new banking relationships.• Approve authorisation limits and operating procedures as they pertain to Treasury Management.

	<ul style="list-style-type: none"> • Review all Treasury activity and reporting to the relevant Governing Body committee and the Governing Body.
Finance Managers	<ul style="list-style-type: none"> • Define and recommend the Treasury Management Policy, (or changes therein), to the Vice President Finance. • Recommend new banking relationships for approval to the relevant Vice President. • Recommend authorisation limits and operating procedures as they pertain to Treasury Management to the Vice President Finance. • Undertake on behalf of SETU liquidity management, cash management and surplus fund management. • Report to the Vice President Finance on all aspects of Treasury activities.

7. Compliance

It is expected that all employees of the University and all members of the University Governing Body will comply with this policy.

8. Useful Links

[SETU Statements & Policies](#)

9. Policy Author

The author of this policy is the Vice President Finance. 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.

10. Appendices

Appendix I: Cash handling Procedures

Appendix II: Acceptable Counterparty Criteria

Appendix I: Cash Handling Procedures

Regarding the collection of funds and the management of physical cash on site and the following rules should be observed:

- The use of cash should be limited as much as possible and where feasible, collection of funds should be via electronic means.
- Schools/Faculties and Functional areas do not have the authority to collect cash/funds on behalf of the University except with written permission from a Finance Manager or the Vice President of Finance.
- Cash should never be left unattended for any period of time. All cash collected must be remitted to the Finance Office as soon as possible.
- An official receipt must be issued for any cash received and a copy retained.
- All cash collected must be held securely in a safe at all times until banked.
- Safeguards should be put in place to restrict access to the safe to authorised staff members only.
- Cash should be lodged on a timely basis.

Appendix II: Acceptable Counterparty Criteria

Introduction

SETU shall only invest surplus funds with the National Treasury Management Agency or Commercial Institutions that are established in the Irish Market and meet the below Credit Rating Criteria.

A Credit Rating is a third-party opinion on the ability of a Debtor to meet its debt obligations. Credit ratings can be applied to a variety of debt issues/issuers and are used by organisations as a means of evaluating the risk of placing deposits and other transactions which expose them to credit risk with certain banks.

Credit Rating Agencies

There are three main credit rating agencies: Standard & Poor's ("S&P"), Moody's Investor Services ("Moody's") and Fitch IBCA ("Fitch").

Credit Rating Categories

All of the ratings agencies split their categories between short-term and long-term. These are designed to accommodate an evaluation of corresponding longevity.

The credit rating scales used in this policy are those adopted by Standard & Poor's and Moody's credit rating agencies.

The structure of long-term ratings of S&P and Moody's are as follows:

Standard & Poor	Moody's
AAA	Aaa
AA+	Aa1
AA	Aa2
AA-	Aa3
A+	A1
A	A2
A-	A3
BBB+	Baa1
BBB	Baa2
BBB-	Baa3
BB+	Ba1
BB	Ba2
BB-	Ba3
B+	B1
B	B2
B-	B3
CCC	Caa
CC	Ca
C	C

Appendix II: Acceptable Counterparty Criteria (continued)

Recommended Counterparty Credit Criteria

SETU will only place surplus funds on deposit with Banks/Financial Institutions that have satisfactory long-term credit ratings.

Currently, ratings at or above BBB from Standard & Poor or Baa2 from Moody's are deemed satisfactory.

Ratings below the above Criteria may only be considered where the State holds a significant ownership in the Institution.

Where Counterparties are within a group structure, the credit rating of the specific legal counterparty will be the rating applied.