

POLICIES AND ASSOCIATED PROCEDURES

POLICY NUMBER:	POF111007000
PREVIOUS POLICY NUMBERS:	POF100831000 (amended 07/10/11 via minor amendment) POF051018000 (amended 01/09/10 via minor amendment) POF040924000 (amended 08/08/06 via minor amendment) POF040809003 (updated 03/11/05 via review)
POLICY NAME:	Investment – FU01
POLICY TYPE AND CATEGORY:	General (Resourcing and Finances)
DATE APPROVED:	4 October 2011
RESPONSIBLE OFFICER:	Chief Financial Officer
FIRST EFFECTIVE FROM:	17 June 2004

1. PURPOSE

The purpose of this policy is to establish a framework within which the investment assets of the University may be invested, monitored and evaluated.

2. BACKGROUND

Not applicable.

3. DEFINITIONS

- **Cash** - includes:
 - Term deposits
 - Bank bills
 - 11.00 a.m. cash accounts and similar on-call deposit accounts
- **Enhanced cash fund** - is a managed unit trust that invests in a range of high quality interest bearing securities, including government securities, bank and corporate securities.
- **Investment portfolio** - comprises all funds available to the University excluding those funds required for short-term cash flow management (transactional requirements) and direct property holdings.
- **Short term investment** – Investments with an original maturity of no more than 365 days.
- **Long term investment** – Investments with an original maturity above 365 days.

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4. KEY WORDS

- Investment
- Cash
- Enhanced cash

5. POLICY

The key objective of this policy is to generate maximum rates of return by prudently investing the assets of the University in a manner that minimizes risk.

In addition the investment portfolio is to be managed in a manner that maintains sufficient liquidity to meet the University's operational requirements.

The University's investment portfolio will be placed in either cash investments or enhanced cash funds.

Investments may be for various periods, as cash flow allows, with no investments being made in excess of 365 days, unless the Vice-Chancellor approves in writing a longer period.

The short term investments (investments with original maturity less than 365 days) are the currently preferred investments based on the cash flow requirement for short term expenses i.e. to cover the payroll cost including oncosts, accounts payable, and capital payments.

All investments will be placed with investment products which carry a Standard & Poors credit rating of at least 'A' for long term investment and rating of at least 'A-2' for short term investment.

*'A' rating is defined as having a 'strong' ability to meet its financial obligations. This is the third highest rating given by Standard & Poors for long term investments.

*'A-2' rating is defined as having a 'satisfactory' ability to meet its financial obligations. This is the second highest rating given by Standard & Poors for short term investment.

6. CONGRUENCE WITH LEGISLATION AND RELATED POLICIES

Not applicable.

7. ACKNOWLEDGEMENT

Not applicable.

8. CONSULTATION

The policy is an amendment to the previously approved policy. Resources Committee considered it.

9. REVIEW

This policy will be reviewed no later than 31 December 2012.

10. ACCOUNTABILITIES

Responsibility

The Chief Financial Officer has senior management responsibility for this policy.

Implementation Plan

The Director – Corporate Finance Services is responsible for the implementation and maintenance of the policy.

Training Plan

Not required.

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Compliance

The investment portfolio will be managed by the Director – Corporate Finance Services, in accordance with this policy and procedure.

The Chief Financial Officer will report monthly to the Resources Committee of Council on investments made and redeemed during the preceding month.

Effectiveness Of This Policy

That investment is made in accordance with this policy.