

# Investment Procedures

## Section 1 - Purpose / Objectives

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

## Section 2 - Scope / Application

(2) Nil

## Section 3 - Definitions

(3) Cash - includes:

- a. Term deposits
- b. Bank bills
- c. 11.00 a.m. cash accounts and similar on-call deposit accounts

(4) 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.

(5) 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.

(6) Short term investment — Investments with an original maturity of no more than 365 days.

(7) Long term investment — Investments with an original maturity above 365 days.

## Section 4 - Policy Statement

(8) Nil

## Section 5 - Procedures

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

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

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

(12) 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.

(13) 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.

(14) 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.

(15) \*'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.

(16) \*'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.

## **Section 6 - Guidelines**

(17) Nil

## Status and Details

<b>Status</b>	Historic
<b>Effective Date</b>	20th January 2015
<b>Review Date</b>	20th September 2017
<b>Approval Authority</b>	Vice-Chancellor
<b>Approval Date</b>	20th January 2015
<b>Expiry Date</b>	14th December 2015
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