



Treasury Policy

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1. BANKERS

- 1.1. Transactional banking is provided by Barclays Plc.
- 1.2. Long-term borrowings are provided by Barclays Plc and Santander Bank.

2. CASH FLOW MANAGEMENT

- 2.1. Monthly schedules of actual cash flow performance are to be prepared and monitored against original projections by the Deputy Director of Finance.
- 2.2. Cashflow statements are to be prepared as part of the monthly management accounts detailing actual and projected cashflow for the financial year and significant variances since last Finance Committee of actual against forecasted cashflow.
- 2.3. Cashflow projections are to be prepared for the following financial year as part of the annual budget and planning cycle.
- 2.4. Cash balances are to be reviewed on a daily basis by the Treasury Accountant and surplus funds invested with SGUL's bankers taking into account rates of return and the length of time it is anticipated the funds are available for investment.
- 2.5. The Director of Finance will ensure that satisfactory written procedures are in place for raising invoices and collecting debt. Regular debtors' reports shall be prepared for Finance Committee and bad debts written off shall be reported above prescribed limits.
- 2.6. The Director of Finance shall ensure that satisfactory arrangements are in place for the payment of expenses and suppliers, and that discounts are taken, where appropriate.
- 2.7. The Director of Finance shall ensure that satisfactory arrangements are in place for reporting the level of stock. Consideration will be given from time to time to optimising the level of stock

3. BANKING ARRANGEMENTS

- 3.1. The Director of Finance will be responsible for opening and maintaining the bank accounts needed to conduct properly the business of SGUL. Finance Committee will authorise the signatories who may operate them.
- 3.2. The Director of Finance will ensure the reconciliation of the bank accounts on a monthly basis, by persons other than those whose responsibility includes the handling of receipts and maintaining accounts receivable records.
- 3.3. No member of staff can open a bank account for SGUL related activity nor use the name of the Institution or its departments.
- 3.4. Signatories shall take such steps as necessary to satisfy themselves that proper procedures have been followed to ensure that payment requests are supported by properly checked, approved and appropriate documentation.
- 3.5. The Director of Finance shall ensure that proper control is exercised over unused and cancelled cheques.
- 3.6. Open cheque facilities can be set up with the approval of the Director of Finance for the cashing of petty cash cheques, and cheques where the holder has no UK bank account.
- 3.7. BACS to be used for the payment of salaries and suppliers wherever possible to reduce the need to draw cheques.
- 3.8. The use of electronic banking facilities should be made where appropriate

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- 3.9. The Director of Finance is empowered to make use of banking facilities including:
- Business Cards/Corporate Cards
 - Purchasing Cards
 - Overdraft Facilities
 - Negotiation Facilities
 - Terminable Indemnity Facility (Duty Deferment Guarantees)
 - Safe Custody
 - Credit/Debit Cards.
- 3.10. Business and corporate cards to be available to SGUL staff, where appropriate, for use while undertaking SGUL Business.
- 3.11. Bankers are to be appointed (subject to review at least every five years) to look after SGUL's banking arrangements.

4. INVESTMENT OF SHORT-TERM FUNDS

- 4.1. The Director of Finance shall be responsible for arranging short-term deposits of SGUL funds on a daily basis with due regard to any restrictions imposed by Finance Committee.
- 4.2. The investment objectives are to maximise returns whilst maintaining an appropriate level of liquidity, without undue risk.
- 4.3. Cash Managers may be appointed to look after the main part of SGUL's short-term funds. Fees are to be negotiated, dependent upon the size of the funds under management, and shall be inclusive of all charges.
- 4.4. The cash position is to be reviewed on a daily basis.
- 4.5. The balance on call accounts should be kept to a minimum, sufficient to meet working capital needs.
- 4.6. Custodial arrangements will be reviewed periodically in respect of deposits placed with receiving counterparties, to provide SGUL with additional security.
- 4.7. Approved counterparties are to be restricted to those Banks and Building Societies with a Moody's and Standard and Poors credit rating of minimum P1 and A2 respectively, with deposit limits set by Finance Committee.
- 4.8. Deposits may be subject to restrictions imposed from time to time by the Director of Finance on Institutions located in certain geographical areas.
- 4.9. The list of approved counterparties and lending limits are to be reviewed by Finance Committee and updated on a regular basis.
- 4.10. Consideration will be given from time to time by Finance Committee to the nature of investments. Currently, permitted investments are:
- Deposits with approved Banks and Building Societies.
 - Certificates of Deposit issued by approved Banks and Building Societies.
 - Treasury Bills.

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- 4.11. Rates of return are to be measured against benchmarks to include:
 - Rates of return on the Investment Managers' general deposit account.
 - 3 month rolling SONIA.
- 4.12. Any deposits of more than 12 months and/or greater than £2 million should be approved by Finance Committee.

5. CAPITAL FINANCING

- 5.1. The Finance Committee will formally assess from time to time any future borrowing requirements.
- 5.2. When considering the extent of external borrowing, due regard will be given to the level of internal cash resources and their utilisation.
- 5.3. All financing options will be fully evaluated, and consideration will be given to commissioning independent expert advice.
- 5.4. Formal approval by the Finance Committee and Council shall be given in respect of all borrowing, seeking confirmation that any arrangements are within prescribed limits.
- 5.5. A review of financial instruments, available in the market place, will be undertaken at least every three years, with a reassessment of SGUL's borrowing requirements involving security, covenants, interest rate exposure consideration, financial modelling and sensitivity analysis. The appropriateness of existing arrangements, and where necessary, market testing of alternative options will be pursued.

Susan McPheat
Director of Finance
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