Engineering UTC Northern Lincolnshire

Treasury Management Policy

July 2018

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Approved by the UTC Board on 03/07/18

Document control table

Document title:	Treasury Management Policy
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Acknowledgement	
Version number:	V1 July 2018
Date approved:	3rd July 2018
Approved by:	UTC Board
Date of review:	July 2020

Document History

Version	Date	Author	Note of revisions

Introduction

Treasury Management is defined as: -

- the management of the UTC's cash flows, banking and investment transactions
- the management of the risks associated with these activities
- the pursuit of optimal returns consistent with those risks

The objectives of this policy are to ensure that the UTC: -

- maintains sufficient cash balances in its current account to meet its day to day commitments
- invests surplus cash to earn an acceptable rate of return without undue risk
- Complies with the Academies Financial Handbook and ensures that security of funds takes precedence over revenue maximisation
- considers spreading risk between differing institutions to reduce risk

Responsibility

The Accounting Officer (CEO) and Board of Trustees have overall responsibility for the security and management of funds. The day to day management of the treasury function is controlled by the Chief Financial Officer (CFO), who will liaise with the Accounting Officer and Board of Trustees in relation to investment decisions.

Cash Flow Forecasts

The Chief Financial Officer will prepare and present regular 12 months rolling cash flows to the Board of Trustees to identify expected cash balances throughout the year for investment opportunities and to provide early warning of low cash balances.

Borrowing

The UTC is not permitted borrow without prior permission of the Secretary of State.

Deposits

The UTC will operate an interest bearing current account with a bank approved by the Board of Trustees and maintain sufficient balances to ensure there are adequate liquid funds to cover all immediate and forthcoming financial commitments, including maintaining a sufficient contingency for unexpected payments.

Monies surplus to the working requirements shall be invested in low risk in deposit accounts or term deposits in regulated institutions.

The Academy will not take out any long term deposits until reliable cash flow pattern has been established, monies will only be paid into term deposits not exceeding six months.

The Academy will only deposit funds with bodies protected by the Financial Services Compensation Scheme.

Limits and Authority

The Board of Trustees reserves the powers to:

- Give prior approval to the opening of new bank current accounts
- Give prior approval to any bank deposit with a maturity date exceeding six months
- Appoint a financial expert to advise on investments

The Board of Trustees delegates authority to the Chief Financial Officer to place deposits in the UTC's name, at approved institutions, subject to the agreed limits within this policy. No deposits will be placed without prior agreement with the Accounting Officer or other signatory subject to the relevant limits.

Authorised bank signatories of the UTC are set out in the UTC's Financial Management Policy.

Register of Deposits

The Chief Financial Officer will maintain a register of all deposits/investments held which will record:

- Institution with which deposit placed
- Date deposit placed
- Amount deposited
- Date of maturity
- Amount returned
- Rate of interest
- Interest earned

Monitoring, evaluation and review

Periodically (at least annually) the Chief Financial Officer will review interest rates and compare these with investment opportunities through other institutions.