

TREASURY & ETHICAL INVESTMENT MANAGEMENT POLICY

Introduction

1. This statement sets out the university's policy concerning raising capital finance and investment of surplus funds. It also deals with the internal movement of surplus funds between accounts established by the university. This statement has been adopted by the university in accordance with its financial regulations. It covers the university and any subsidiary undertaking. A copy has been forwarded to both internal and external audit for information purposes.

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3. All treasury and investment management of the university on borrowing is to mirror the financial position by sound debt management. It is to achieve the best possible return on investments is to generate an appropriate

Approved Activities

4. Subject to the provisions of the policy, the following members of staff indicated in the 'Schedule of Activities' of the General Purposes Committee, to:
 - x Deposit surplus funds of the university in the name of the organisations listed in 'Schedule of Activities' limit or sub-limit specified for each organisation.
 - x Borrow funds subject to the approval of the Committee.
 - x Appoint an Investment Manager.

8.

representations shall be reported to and considered by the Finance and General Purposes Committee at the next meeting that occurs after the comments are received.

Approved Methods of Raising Capital Finance

21. For each proposed capital borrowing the Chief Financial Officer will prepare a report for Finance and General Purposes Committee detailing the following:

- x Borrowing requirement;
- x Proposed lender;
- x Interest rate structure;
- x Interest rate;
- x Arrangement fees;
- x Security arrangements;
- x Purpose;
- x Projected cash flow;
- x Comparison with alternatives;
- x Compliance with approved borrowing strategy;
- x Arrangements for draw-down;
- x Legality;
- x Arrangements for compliance with the Office for Students Regulatory Framework (OfS 2018.01)
- x Any other matters which might assist Finance and General Purposes Committee in

x Corporate Bonds
x

setting the treasury and investment strategy. Consequently, all the matters set out in this statement and in the annual financial strategy would continue to apply to those areas of treasury and/or investment management with which the external managers might deal including, in particular, the policy for interest rate exposure and credit policy, although it is recognised that the external managers would be consulted in drawing up the aspects of treasury and/or investment policy relevant to their work.

Delegation

35. The university has drawn up an 'Approved Scheme of Delegation' for the operation of treasury policy.

Review and Reporting

36. The Chief Financial Officer will report quarterly to Finance and General Purposes Committee. The matters to be included in the report are:

- Analysis of current loans, deposits and investments by instrument, counterparty, maturity and interest rollover period.
- Commentary on treasury operations for the period.
- Commentary on the performance of long-term investments for the period including a comparison against a relevant benchmark index.
- Cashflow compared with budget/forecast with commentary on major variances.
- Revisions to cashflow forecast and future estimates of interest rates and the impact on the financial forecast.
- Proposed amendments to the list of approved counterparties and to limits (where appropriate).
- Areas of non-compliance with the treasury management policy.

37. Other matters will be drawn to the attention of Finance and General Purposes Committee as appropriate.

Systems and Procedures

38. The Chief Financial Officer maintains the treasury systems document which sets out the detailed systems and procedures which are in place docd pro3.5 ()0.7 Td [(R)-.5 (on 24 (ar)l)7.4 (ac)-2 (h 6.1 (nen0 Td [(

46. Proposals to be submitted to Finance and General Purposes Committee for information and approval:

- Total outstanding borrowing.
- Maximum proportion of interest payable on variable rate borrowing.

47. Strategy for financing new loan requirements over the next four years:

- Proposed sources of finance.
- Proposed maturity structure.
- Whether fixed or floating rate and, if floating rate, proposed rollover periods
- Suggested mechanisms for controlling interest rate exposure.