

Policy title	<b>Treasury Management</b>
Version number	26.0
Effective from date	1 <sup>st</sup> May 2026
Policy statement	<p>This Treasury Management Policy establishes the parameters for the management of University funds available for investment.</p> <p>Treasury Management in the context of this policy is defined as the management of all University bank balances and includes funds available for investment, from general University revenue and capital receipts, endowment funds, subsidiary companies and foreign accounts.</p>
Applicable to	All staff engaged in treasury management and investment activities on behalf of the University or associated companies.
Owner	Chief Financial Officer
Date EIA completed	N/A
Approving Committee(s)	Investment Committee University Board
Date of approval	16 <sup>th</sup> April 2026
Review date	April 2027

## 1. Scope and purpose

The **scope** of this policy is all treasury management and investment activity undertaken by University staff, or agents on behalf of the University.

The **purpose** of this policy is to ensure all treasury management activity of the University and associated companies are undertaken in a way that:

- Manages current account balances so appropriate funds are available to meet day to day operational requirements
- Maximises returns from the investment of University's cash balances within the constraints and risk tolerances established by this Policy
- Effectively identifies, manages and controls treasury risk
- Safeguards University cash balances through effective management and control of funds
- Balances the financial return versus the resources needed to review and manage the treasury service
- Ensures compliance with policies on Value for Money, Declaration of Interests, Fraud and Anti-Corruption, and Modern Slavery
- Meet environmental, ethical and civic ambitions and business continuity arrangements

## 2. Roles and Responsibilities

Role	Responsibility
University Board	<ul style="list-style-type: none"> <li>• Approve treasury management policy</li> <li>• Approve investments or proposed partners outside of this Treasury Management Policy</li> <li>• Approve all borrowing, including overdrafts and leasing arrangements</li> </ul>
Investment Committee/ Audit and Risk Committee	<ul style="list-style-type: none"> <li>• Review treasury management and investment policy on an annual basis and recommend approval for the Board</li> <li>• Approval of Investment Brokers/Advisors</li> <li>• Approve all investments over 12 months</li> <li>• Approve new funding vehicles and accounts in line with this policy</li> </ul>
Executive Committee	<ul style="list-style-type: none"> <li>• Agree changes to ethical and social consideration guidelines</li> </ul>
Chief Financial Officer	<ul style="list-style-type: none"> <li>• Approve all investments up to 12 months</li> <li>• Review institution credit ratings to ensure Investment Grade rating</li> <li>• Propose any borrowing arrangements, ensuring affordability and best value</li> <li>• Ensure borrowing covenants and obligations are understood and adhered to in the planning round</li> </ul>
Head of Financial Operations	<ul style="list-style-type: none"> <li>• Oversee efficient operation of treasury management function and investment activity, including cash flow</li> <li>• Support sourcing of new funding vehicles and accounts</li> <li>• Review existing investments and recommend any changes</li> <li>• Develop an investment plan to maximise returns for the University</li> <li>• Monitor sweep accounts and manage Money Market placements</li> <li>• Ensure staff involved in investments are suitably trained or experienced</li> <li>• Ensure banking covenants are monitored and adhered to</li> </ul>
Staff member	<ul style="list-style-type: none"> <li>• Follow University policies and procedures</li> <li>• Maintain highest ethical and business standard in all treasury management and investment decisions</li> <li>• Ensure the University receives best value for money</li> </ul>

### 3. Treasury Risk

The purpose of treasury management is to ensure the University has sufficient resources to meet ongoing financial obligations while maximising the return (with agreed risk parameters) of cash reserves.

Therefore, the identification, monitoring and control of risk are key criteria for measuring the effectiveness of treasury management. The University is **risk averse** in relation to investment decisions:

- **Credit rating.** Investments will only be placed in Institutions with an **Investment Grade** credit rating.
- **Diversification.** The University will seek to limit the amount invested in any one institution.
- **Expert advice.** Investment will only be placed on the basis of recommendations from investment advisors working on the basis of the parameters set in this policy.
- **Interest and Foreign Exchange.** Funds held in foreign currencies will be minimised to reduce exchange rate fluctuation risk.
- **Legal and Regulatory.** The University will not make any investments that call into question compliance with any legal or regulatory issues.
- **Liquidity.** Investments that offer a degree of liquidity will be favoured over those that do not, considering the premium cost for that liquidity.
- **Irregularity.** Investments will not be pursued that expose the University to any risk of loss through fraud, error or corruption.
- **Reputation.** The University has established ethical guidelines for investment practice which are designed to protect the University's reputation.

#### 3.1. Core functions

The core functions of treasury management operations are:

- Maintain cashflow forecasts to understand when financial commitments arise, ideally over a 30-day, 12 month and 5-year window
- Ensure the University has sufficient liquidity to meet financial commitments, typically around 30 days cash holding, although this may be more at peak times e.g., partner payments
- Monitor use of any approved sweep account
- Manage investment in approved money market arrangements
- Ensure staff undertaking investment activities will be suitably experienced or trained to a sufficient level of expertise, knowledge and skill to be capable of performing the function.

In addition, the treasury management function will also:

- Monitor existing investments and recommend any changes
- Invest surplus funds in approved financial institutions
- Ensure banking covenants are monitored and adhered to
- Advise on the appointment of brokers and advisors who are FSA regulated and have Higher Education experience, in line with the University's procurement policy

These functions are the responsibility of the Head of Financial Operations

#### 3.2. Approved investing activities

The Chief Financial Officer is authorised to invest funds in approved financial institutions up to the following limits:

- Maximum loan term of 12 months

- Maximum invested in any one institution £10,000,000
- Organisational credit ratings to be a minimum of Investment Grade

The exception is to any overnight sweep account arrangements when the total cash balance available is invested overnight with the approved financial institution (currently Barclays).

#### 4. Identification of new investment opportunities and partners

The University will review potential investment opportunities in order to meet the aims of this policy: maximising return while meeting treasury risk conditions outlined in section 3.

In all cases new investment opportunities must meet the University's ethical and social considerations

##### 4.1. Ethical and Social Considerations

The University has committed to sustainable and ethical investment in management of the funds and requests appointed Investment Brokers/Advisors to utilise positive and negative screening and employ a responsible approach to environmental, social and governance (ESG) considerations. The University specifies that investments meeting the below descriptions are excluded:

- **Tobacco** all companies classified as a “producer”, or those that derive 5% or more aggregate revenue from the production, distribution, retail and supply of tobacco-related products
- **Alcohol** all companies deriving 5% or more revenue from the production of alcohol-related products, or those deriving 15% or more aggregate revenue from the production, distribution, retail and supply of alcohol-related products
- **Armaments** all companies that produce or manufacture weapons including nuclear weapons, controversial weapons and civilian firearms or generate more
- **Gambling** all companies deriving 5% or more revenue from ownership of gambling-related business activities, or those deriving 15% or more aggregate revenue from gambling-related business activities
- **Adult Entertainment** all companies deriving 5% or more revenue from the production of adult entertainment materials, or those deriving 15% or more aggregate revenue from the production of adult entertainment materials
- **Fossil Fuels** all companies that have proved and probable coal reserves and/or oil and natural gas reserves used for energy purposes
- **Border industries** all companies that profit from the management, surveillance, detention, and deportation of migrants and refugees
- **Violation of international law** any corporation that has been accused of, taken to court for, or are listed by the United Nations ( ‘UN’ ) as, violating international law or UN resolutions in the past 5 years. This typically involves complicity in human rights abuses, international environmental damage, or business operations in illegal settlements.

Changes to ethical and social considerations may be reviewed and agreed by the Executive Committee outside of the annual Investment Committee cycle.

##### 4.2. Approval of new investment

The Investment Committee (or Audit and Risk Committee if outside the annual cycle) will approve:

- All new financial institutions used by the University
- Any investments of greater than 12 months duration
- Any investments greater than £10,000,000 at initial investment

The Board will approve any new investments or proposed partners outside of the Treasury Management policy.

## **5. Borrowing**

The Board will approve all borrowing:

- Agreements for overdrafts or short-term credit facilities
- Leasing arrangements
- Borrowing for capital investment
- Re-financing of any existing borrowing

The Chief Financial Officer is responsible for ensuring:

- Appropriate due diligence is undertaken before any borrowing is proposed
- Borrowing is affordable
- Provides best value for the university
- Covenants and obligations are understood and adhered to

Short-term borrowing via procurement cards is covered under the procurement policy.

## **6. Consequences**

Wilful breach of this policy, or unauthorised departure, is a serious matter and may lead to disciplinary action.

## **7. Reporting**

The University has a legal duty to comply with the Freedom of Information Act (FoIA), and therefore information relating to treasury management and investment activities may be disclosed.

However, rates and other commercially sensitive information remain confidential and outside the scope of the FoIA and should never be divulged to any non-authorized person or organisation outside of the University, unless an explicit data sharing agreement is in place (e.g., our procurement service shared with the University of Essex).

The University has disclosure arrangements under the Modern Slavery Act 2015.

Financial Statements require disclosure of leasing and borrowing obligations in a form required by accounting standards and other regulatory requirements.

Reports on investment performance will be provided to Investment Committee. University Board and Executive will receive reports upon request.

The Chief Financial Officer will work with investment advisors to assess the disclosure requirements and impact on the People and Planet league table.