

CASH MANAGEMENT PROCEDURE

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1 PURPOSE

- 1.1 This procedure outlines how day to day cash requirements will be managed across CQUniversity.
- 1.2 This procedure forms part of the University's financial management practice manual, which contributes towards meeting the University's obligations under the [Financial and Performance Management Standard 2019](#) (Qld), by ensuring the existence of an effective cash management system to provide for the payment and investment of cash, transmitting timely and reliable cash flow forecasts to the Treasury Department and ensuring compliance with relevant statutory and regulatory requirements.

2 SCOPE

- 2.1 This procedure applies to all forms of cash and cash equivalents recognised by the University.

3 PROCEDURE

- 3.1 The University maintains cash on hand (cash at call) which is available immediately to meet the University's cash requirements. It includes, but is not limited to, the University's primary bank account. Cash can also be maintained within eligible investments as defined in the [Treasury and Investments Policy and Procedure](#).

Cash requirements forecast

- 3.2 A daily forecast of the University's cash requirements will be prepared to ensure all payment obligations can and will be met. The daily cash requirements forecast will be prepared by the Banking and Payments Team using information provided by Accounts Payable and Payroll. The timing of the University's payments must be managed to maximise return while ensuring sufficient funds are available.
- 3.3 The Banking and Payments Team will maintain a procedural manual on the preparation of the daily cash requirements forecast to ensure consistency of practice and the availability of clear direction for employees.

Insufficient funds

- 3.4 Should an error occur in the calculation of the daily cash requirements forecast that results in the University's primary bank account showing insufficient funds, the Chief Operating Officer must be notified. The error must be rectified as soon as practicable and a review of the assumptions leading to the cash forecast be completed.

Investments

- 3.5 Taking into consideration the University's immediate cash requirement, as identified in the daily cash requirements forecast, the Banking and Payments Team will invest surplus funds to meet the following objectives:
- to ensure the amount of cash on hand held at low interest rates is minimised
 - to ensure sufficient cash remains on hand to meet all payment obligations, and
 - maintain a risk averse position while obtaining competitive and attractive market rates.
- 3.6 All funds will be invested, monitored and recorded in accordance with the [Treasury and Investments Policy and Procedure](#) and the [Statutory Bodies Financial Arrangements Act 1982](#) (Qld).

Bank accounts

- 3.7 The University will establish primary banking facilities with a major financial institution in accordance with the *Statutory Bodies Financial Arrangements Act*. The banking facility must provide for minimum correspondence and functional requirements as set out by the University at the time of establishing the facility and have robust processes in place to ensure only withdrawals approved by authorised signatories are accepted.
- 3.8 The primary banking facility must be operated in Australian currency, provide access to management services via a broad range of contact methods, and assign an agent number to each campus operated by the University within Australia. The facility selected must also provide a full range of commercial electronic banking features, including account linkage, bulk fund movements and electronic payments, training, itemised cheques and deposits, and other features as deemed necessary by the University.
- 3.9 The Coordinator Banking and Payments will undertake a five-yearly review of the University's banking arrangements to ensure value for money and appropriateness of service. From this review, the Coordinator Banking and Payments will submit a report detailing the findings to the Chief Operating Officer.
- 3.10 The Coordinator Banking and Payments will maintain the register of bank accounts and authorised persons as detailed in the [Treasury and Investments Policy and Procedure](#).

4 RESPONSIBILITIES

Compliance, monitoring and review

- 4.1 The Chief Operating Officer and Deputy Director Financial Accounting and Operations is responsible for implementing, monitoring, reviewing and ensuring compliance with this procedure.
- 4.2 Compliance and monitoring will be assessed through monthly reconciliations and regular analytical reviews.

Records management

- 4.3 Employees must manage records in accordance with the [Records Management Policy and Procedure](#). This includes retaining these records in a recognised University recordkeeping information system.
- 4.4 University records must be retained for the minimum periods specified in the relevant [Retention and Disposal Schedule](#). Before disposing of any records, approval must be sought from the Records and Privacy Team (email records@cqu.edu.au).

5 DEFINITIONS

5.1 Terms not defined in this document may be in the University [glossary](#).

6 RELATED LEGISLATION AND DOCUMENTS

[Financial Accountability Act 2009](#) (Qld)

[Financial and Performance Management Standard 2019](#) (Qld)

[Statutory Bodies Financial Arrangements Act 1982](#) (Qld)

[Treasury and Investments Policy and Procedure](#)

7 FEEDBACK

7.1 Feedback about this document can be emailed to policy@cqu.edu.au.

8 APPROVAL AND REVIEW DETAILS

Approval and Review	Details
Approval Authority	Council
Delegated Approval Authority	Audit, Risk and Finance Committee
Advisory Committee	N/A
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Administrator	Chief Operating Officer
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Notes	This document was formerly known as the Cash Management Policy (FMPM) (last approved 31/07/2017).