

CASH MANAGEMENT POLICY (FMPM)



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1 PURPOSE

- 1.1 The purpose of this policy is to outline the principles of cash management across CQUniversity to ensure the efficient and effective management of the University's cash resources to maximise investment income while ensuring sufficient cash on hand to meet obligations and avoid funding shortfalls.
- 1.2 This policy also contributes towards meeting the University's obligations under the [Financial and Performance Management Standard 2009](#) 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 policy applies to all forms of cash and cash equivalents recognised by the University and to all staff responsible for the investment and recording of cash-related activities in accordance with the [Delegation of Authority Policy \(FMPM\)](#) and delegated responsibilities and recorded authorities of the Finance and Planning Division.

3 POLICY STATEMENT

- 3.1 The [Financial Management Practice Manual](#) (FMPM) is the University's financial management policy framework. As such, this policy forms part of and must be read in conjunction with the FMPM.

Cash and cash equivalents

- 3.2 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 by the [Investments Policy \(FMPM\)](#) and [Investments Procedures \(FMPM\)](#).

Cash requirements forecast

3.3 A forecast of the University's cash requirements is prepared on a daily basis to ensure all payment obligations can and will be met. The daily cash requirements forecast will be prepared by the Treasury 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.

3.4 The Treasury 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 staff.

Overdrawing

3.5 Should an error occur in the cash requirements forecast that results in the University's bank account overdrawing, the overdrawn position must be rectified as soon as practicable and the Deputy Vice-Chancellor (Finance and Planning) notified. A review of the assumptions leading to the cash forecast must be completed.

Investments

3.6 Taking into consideration the University's immediate cash requirement, as identified in the daily cash requirements forecast, the Treasury Team will invest surplus funds to meet the following objectives:

- to ensure the amount of cash on hand held at low interest rates is minimized
- 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.

3.7 All funds will be invested, monitored and recorded in accordance with the [Investments Policy \(FMPM\)](#), [Investments Procedures \(FMPM\)](#) and the [Statutory Bodies Financial Arrangements Act 1982](#).

Bank accounts

3.8 The University will establish primary banking facilities with a major financial institution in accordance with the [Statutory Bodies Financial Arrangements Act 1982](#). 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.

3.9 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.

3.10 The Treasury Team Leader will undertake a five-yearly review of the University's banking arrangements to ensure value for money and appropriateness of service and submit a report detailing the findings to the Deputy Vice-Chancellor (Finance and Planning).

Register of bank accounts

3.10.1 A record of all University bank accounts will be recorded in the Register of Bank Accounts. The Treasury Team Leader will maintain the register, which must include the following details of each account:

- financial institution details
- name and number of the account
- purpose of the account
- overdraft limit (where applicable)
- date opened, and
- date closed

Register of authorised persons

- 3.10.2 A record of all authorised persons to the University bank accounts will be recorded in the Register of Authorised Persons. The Treasury Team Leader will maintain the register, which must include the following details:
- bank account
 - name
 - position
 - authorisation
 - authorisation commencement date, and
 - authorisation cessation date.
- 3.10.3 The Treasury Team Leader will undertake an annual review of the Authorised Persons Register to ensure ongoing alignment with the University's requirements.

4 RESPONSIBILITIES

Compliance, monitoring and review

- 4.1 The Deputy Director, Financial Accounting and Operations is responsible for managing the implementation of this policy and for ensuring its provisions are adhered to and applied consistently across the University.
- 4.2 Compliance and monitoring will be assessed through monthly reconciliations and regular analytical reviews.

Reporting

- 4.3 In addition to the reporting required under the [Investments Policy \(FMPM\)](#) and the [Investments Procedure \(FMPM\)](#), the Treasury Team Leader will report quarterly to the Deputy Vice Chancellor (Finance and Planning) regarding the comparison of the University's budgeted interest against actual interest received.

Records management

- 4.4 Staff must maintain all records relevant to administering this policy in a recognised University recordkeeping system.

5 DEFINITIONS

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

6 RELATED LEGISLATION AND DOCUMENTS

[Delegation of Authority Policy \(FMPM\)](#)

[Financial Accountability Act 2009](#)

[Financial and Performance Management Standard 2009](#)

[Financial Management Practice Manual](#)

[Investments Policy \(FMPM\)](#)

[Investments Procedures \(FMPM\)](#)

[Statutory Bodies Financial Arrangements Act 1982](#)

7 FEEDBACK

- 7.1 University staff and students may provide feedback about this document by emailing policy@cqu.edu.au.

8 APPROVAL AND REVIEW DETAILS

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Administrator	Deputy Vice-Chancellor (Finance and Planning)
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