



Code: QA300
Title: **Treasury Management**
Date: 14/12/2018 (date of Údaras meeting)
Approval: UMT-FRC-Údarás na hOllscoile

1.0 Purpose

To ensure that all University funds are managed in accordance with current best practice and that relevant procedures are clearly articulated for the benefit of, and compliance by, all impacted by this policy.

2.0 Description

- 2.1 The University will ensure that its funds are received and banked in a timely manner, are readily available to meet properly authorised and approved commitments as they fall due, and that the security, movement and application of its funds is properly authorised and controlled.
- 2.2 All movement of funds shall operate so as to optimise benefit to the University in terms of security, return, and liquidity. In particular, the provisions of the Late Payment in Commercial Transactions Regulations 2002 as updated from time to time shall be adhered to so as to minimise interest and penalties for late payment of suppliers, (if any).
- 2.3 Having successfully bid under a public tender process, Bank of Ireland is the University's principal Banker although other banks may be used from time to time to transact University business.
- 2.4 The University shall take external professional advice from time to time regarding its Treasury and Investment activities.
- 2.5 The University will organise and draw down borrowing and overdraft facilities in compliance with the framework for borrowing and loan guarantees, as set out in section 38 of the Universities Act 1997.
- 2.6 The University will comply with all relevant legislation pertaining to receipt, movement, and banking of funds. Evidence or suspicions of money laundering or terrorist financing that come to the attention of University management will be reported to An Garda Síochána under the Criminal Justice (Money Laundering & Terrorist Financing) Act 2010.

3.0 Responsibilities

- 3.1 The Bursar is policy 'owner' and has overall responsibility for the Treasury management function.
- 3.3 The Director of Financial Accounting, under the direction of the Bursar is responsible for the receipt and banking of University funds and for all payment to third parties on foot of properly authorised documentation or electronic media as appropriate.
- 3.4 The Pensions and Investments Officer, under the direction of the Bursar, is responsible for the recording, management, bench marking, and reporting on a monthly basis, of cash flow position and the movement of funds between various University Bank and Investment accounts.

4.0 Approvals

- 4.1 The authorisation and signatures of the President and Bursar are required to open and/or continue operation of one or more bank accounts in the name of the University for the purposes of investment and disbursement of University funds. Their signatures only, must be applied to the relevant bank's "account opening" documentation.
- 4.2 University designated/nominated bank accounts that have completed their pre-designated term or that are no longer required for investment/operational purposes may be closed at the discretion of the Bursar on advice from the Director of Financial Accounting/Pensions & Investments Officer. Any funds remaining in an account to be closed must be transferred to another University designated/nominated bank account.
- 4.3 A resolution of the Governing Authority is required in order to change the cheque and/or payment signatory arrangements at any of the University banks. Current bank resolutions are attached as follows: -
- Attachment 1 General Mandate – also details cheque signatories
 - Attachment 2 Facsimile Signature (inked signature plate)
 - Attachment 3 Electronic Fund Transmission System (EFTS)
 - Attachment 4 Fax, Telex or Verbal Instructions
 - Attachment 5 BOI's 'Business-on-Line' (internet banking)
- 4.4 The Pensions and Investments Officer and the Director of Financial Accounting are authorised to place on deposit and transfer funds within the University's bank accounts in the various institutions and in accordance with the limits specified in Attachment 6 herewith.
- 4.5 University designated/nominated Banks are authorised to honour and negotiate all cheques and other negotiable instruments drawn, made, endorsed or accepted on behalf of the University and to act on all instructions relating to the accounts, affairs or transactions of the University, notwithstanding that such action may lead to borrowing or cause any of the accounts to be overdrawn or any overdraft to be increased provided that they are signed on behalf of the University in accordance with the detailed instructions laid out in the attachments hereto.
- a) Authorised signatories for cheques/debits etc. – Resolution number 1 (Attachment 1 - general mandate, herewith)
 - b) Internet banking payments and money market transactions (i.e. fund transfers between the University's various bank and investment accounts) will be carried out in accordance with resolution number 5 and attachment numbers 5 to 7 herewith.
 - c) Facsimile signatories are authorised in accordance with resolution number 2 (Attachment 2 herewith).
 - d) Electronic payments - Resolution number 3 (Attachment 3 herewith).
 - e) Fax, Telex or Verbal instructions - Resolution number 4 (Attachment 4 herewith).
 - f) Banking 'on line' transactions - Resolution number 5 (Attachment 5 herewith).

Section 5 – Procedures

Procedures to be followed by University staff in implementation of this Treasury Management Policy:

- 5.1 Notifications, correspondence, invoices, bills, etc. pertaining to payment of monies to the University shall be forwarded by the relevant office to the central Accounts Office for reconciliation to bank records, for recording in finance systems, for cash flow monitoring, and for application of financial control procedures.
- 5.2 In accordance with the limits set out in Attachment 6 (authorised by Údarás na hOllscoile via its Finance Resource Committee and Investments subcommittee) and based on records of cash, bank, investments, and other relevant liquid assets balances and movements, the Pension and Investment Officer or Director of Financial Accounting shall, having obtained a minimum of three quotations, will place University monies on deposit with approved financial institutions. University Funds may similarly be invested in Government Stocks, Gilts and other Blue Chip investments as approved by FRC and Údarás na hOllscoile.
- 5.3 The Pensions and Investments Officer will keep a record of quotations received and investment/fund deposit 'deals' entered into on behalf of the University and will maintain such records for audit review.
- 5.4 The Pension and Investment Officer will prepare a monthly report for presentation to the Bursar detailing all cash received and expended, monies placed on deposit and interest earned thereon.
- 5.5 The Pensions and Investments Officer will prepare an annual cash flow forecast, based on the University's approved operating and capital budgets for the forthcoming year. This cash flow forecast will be tabled for approval by Finance Resource Committee at the same time as the operating and capital budgets together with quarterly reports of actual versus forecast flows.
- 5.6 All University bank account balances as recorded in bank's documentation/records shall be reconciled to the University's record in the General Ledger on a monthly basis. All such reconciliations shall be approved by a senior accountant within the Bursar's office who is not involved in the day to day administration of the reconciled account – such approvals to be evidenced.
- 5.7 The Director of Financial Accounting and the Pensions and Investment Officer in consultation with the Office of the Director of Internal Audit & Risk Management will ensure that adequate fidelity insurance is in place so as to provide cover of up to €5,000,000 per person for each of the six authorised bank signatories set out in the General Mandate at Attachment 1 herewith, as well as general cover per individual staff member of up to €150,000 per person.
- 5.8 The Pensions & Investments Officer will maintain a suitable record of all University bank accounts which records the account number, the currency, the date of opening/closure, and the corresponding General Ledger account.
- 5.9 Bank Payment and International Transfer Procedures;
Under Resolution number 5 herewith, 'Authorised Users', may use Bank of Ireland's internet solution "Business on Line" to
 - a) Establish beneficiaries and
 - b) Initiate payments to those beneficiaries in accordance with mandate number 5 and Attachment number 7 herewith.
- 5.10 In accordance with attachment number 8 herewith, nominated senior staff in the Bursar's Office may authorise supplier and similar payments to domestic and overseas

beneficiaries (mainly suppliers to the University) under contract arrangements with Fexco bank and similar currency dealers subject to their being registered with and authorised by the Central Bank of Ireland at the relevant transaction date.

6.0 PETTY CASH

- 6.1 The vast majority of suppliers are happy to accept University Purchase Orders for goods/services, hence, the requirement for petty cash is minimal. Subject to strict compliance with Procurement Regulations, University units may maintain a petty cash float to defray small value items of expenditure where they could not be procured by Purchase Order.
- 6.2 Any unit forced to making use of Petty Cash may not hold more than €250 except in the case of central accounts where the maximum holding is €8,000.
- 6.3 A secure cash box shall be procured for the purpose of storing any such petty cash float and it shall be kept locked in a secure location.
- 6.4 Any such petty cash float shall be operated on the “imprest” system, i.e. a written/computer record of each receipt and disbursement shall be maintained so as to record the running balance. When the running balance drops to below €100, it may be replenished to the full float value of €250.
- 6.5 Replenishment shall be made by authorised collection from the Financial Accounting office.
- 6.6 In addition to the written/computer record kept in the department/research centre, each item of Petty Cash income or expenditure shall be supported by a voucher or third party receipt. Each supporting voucher/receipt shall be assigned a serial reference number to facilitate ease of recognition and retrieval, and shall be stored for audit inspection.
- 6.7 Any applicable Petty Cash balance on hand shall be counted at least once per annum and reconciled to the written/computer record. Any discrepancies shall be noted with a full explanation of the cause(s).

7.0 MONEY LAUNDERING

- 7.1 Money laundering is commonly understood to refer to the processes by which criminals pass the proceeds of their criminal activity through legitimate financial systems to make the money appear to be “clean” or unrelated to crime. The legal definition of money laundering is much more far-reaching and includes acquiring, possessing, or using, the proceeds of criminal conduct as outlined below.
- 7.2 The University requires its staff amongst other things:
 - (a) to take reasonable steps to know the source of all funds they present for lodgement or cause to have credited to University designated bank accounts.
 - (b) to retain original documentation (or copies thereof) relating to transactions giving rise to credits to University bank accounts or additions to University property and assets.
- 7.3 The offence of money laundering is defined in Section 31 CJA as amended by Section 21 of the Criminal Justice (Theft and Fraud Offences) Act 2001. According to the amended Section 31 CJA:

“a person is guilty of money laundering if, knowing or believing that property is or represents the proceeds of criminal conduct or being reckless as to whether it is or represents such proceeds, the person, without lawful authority or excuse (the proof of which shall lie on him or her)-

(a) *converts, transfers or handles the property, or removes it from the State, with the intentions of:-*

- (i) *concealing or disguising its true nature, source, location, disposition, movement or ownership or any rights with respect to it, or*
- (ii) *assisting another person to avoid prosecution for the criminal conduct concerned, or*
- (iii) *avoiding the making of a confiscation order or a confiscation co-operation order (within the meaning of section 46 of this Act) or frustrating its enforcement against that person or another person,*

(b) *conceals or disguises its true nature, source, location, disposition, movement or ownership or any rights with respect to it, or*

(c) *acquires, possesses or uses the property.”*

7.4 “*Criminal Conduct*” includes all conduct which constitutes an indictable offence or, where the conduct occurs outside the State, would constitute such an offence if it occurred within the State and also constitutes an offence under the law of the country or territorial unit in which it occurs, and includes participation in such conduct.

A person is deemed to be ‘reckless’ if ‘s/he disregards a substantial risk that the property handled is stolen, and for those purposes, ‘substantial risk’ means a risk of such a nature and degree that, having regard to the circumstance in which the person acquired the property and the extent of the information then available to him or her, its disregard involves culpability of a high degree.

8.0 CASH HANDLING & BANK LODGEMENTS

8.1 The vast majority of University income is paid direct into its bank accounts with little or no cash or currency handling or administration. Acceptance of University controlled funds/income in the form of currency bank notes and/or coin is discouraged and should be avoided because of the associated risk of loss and/or theft.

8.2 Occasionally, particular University administered/controlled events or process may result in receipt of small quantities of cash in the form of currency bank notes and/or coin e.g. deposits for field trips/accommodation, payment for photocopying/printing, small lab consumables etc.

8.3 In those rare circumstances when University controlled funds/income is accepted in the form of cash and/or coin, the following procedures must be applied in its administration:

- (a) a formal note must be prepared that records the quantity/value of cash/coin received to include the number of currency bank notes/coin of each applicable denomination, the source of the funds (i.e. reason for cash receipt), the identity of the note/record preparer, and the responsible Budget Holder/nominee who must countersign the record.
- (b) any such funds must be banked for credit to the University’s bank account in the shortest possible timeframe and formally notified to the University’s Accounts Office for transaction recording purposes. The bank stamped record (lodgement

counterfoil) must be retained on file in the relevant University unit for subsequent audit checking.

- (c) on a regular basis (at least quarterly), a senior staff member of the University unit accepting cash/coins should cross check and reconcile the record of receipts to;
- (i) a record of the anticipated value, e.g. print/photo billing reports, lists of field trip participants etc. AND
 - (ii) to the bank lodgement receipt, AND
 - (iii) the finance system that records the related bank transaction

The senior staff member should evidence such checking by initialling and dating the record of anticipated value, stating that they have checked the recorded cash value to both the bank lodgement receipt and to the finance system. Any discrepancies must be formally reported to the Bursar's Office (e.g. by email) upon discovery.