



## Treasury Policy

Purpose:	The Treasury Policy details Dundalk Institute of Technology's management of all monies and how such management aligns to the risk appetite of the Institute. The policy also extends to the opening and closing of bank accounts or any other banking arrangements.
Circulation:	This document is available for all staff and Governing Body Members (including subcommittee members) to review and will be published on the Institute's website.
Policy Author:	Finance Office
Policy Owner:	Vice President for Finance, Resources & Diversity
Approval Date:	Executive Board: 20 September 2023 Finance Audit & Risk: 26 September 2023 Governing Body: 3 October 2023
Review Date:	Annually or as required

## Table of Contents:

Reference	Details	Page
1	Context and purpose	3
2	Roles and responsibilities	3
3	Risk appetite	4
4	Existing bank arrangements	4
5	New banking arrangements	5
6	Liquidity and funding	5
7	Cash management	5
8	Bank relationship management	6
9	Process for managing bank statements	6
10	Acceptable bank credit ratings	6
11	Review and update	6
	Appendix 1 – List of existing bank accounts	7
	Appendix 2 – Process for the management of bank statements	8

## Context and purpose

Treasury Management comprises of the management of all monies and capital market transactions in relation to the cash and funding resources of Dundalk Institute of Technology (DkIT). The Institute is committed to ensuring the effective management of funding from all sources and the risk cautious investment of surplus cash balances.

This policy has been developed in the context of DkIT's strategic and financial objectives. The document has been prepared based on a review of best practice in comparable organisations and has been benchmarked with similar institutions within the Third Level Sector.

The management of treasury undertaken by the Institute will have regard to:

- The maintenance of a stable cash flows for the Institute
- The need to ensure that the Institute has sufficient and appropriate resources available to it to meet its funding requirements
- Relevant legislation and recommended accounting standards.

This policy is based on Circular letters, regulations and guidelines issued from time to time by the Department of Public Expenditure and Reform ("DPER"), Revenue or such other Government Departments/Authorities authorised to issue such Circulars and/or regulations.

## Roles and responsibilities

The following roles and responsibilities apply in relation to this Policy:

Governing Body	<p>The Governing Body is responsible for approving, and providing oversight, on the Treasury Policy.</p> <p>The Governing Body will, upon the prior review and recommendation of the Finance, Audit &amp; Risk Committee, consider changes to banking relationships and / or arrangements along with any changes to bank mandates.</p>
Finance, Audit & Risk Committee (FAR)	<p>The FAR Committee will review, and recommend for approval, the Treasury Policy on an annual or needs basis.</p> <p>The Committee will review all treasury activity, to include periodic reviews of cash balances, cash flow projections, audits findings etc. and report to the Governing Body on such reviews.</p> <p>The FAR Committee will also be presented with proposal for any new or changes to existing banking relationships. This will include the proposed opening or closing of bank accounts and / or changes to bank mandates.</p>
Executive Board	<p>The Executive Board are responsible for implementing appropriate measures to ensure the Institute maintain adequate liquidity.</p> <p>Members of the Executive Board also play an important role in ensuring this policy is communicated amongst their various teams and reporting any suspected instances of non-compliance with this policy to the Vice President of Finance, Resources &amp; Diversity.</p>

<p>Vice President for Finance, Resources &amp; Diversity (VP FRD)</p>	<p>The VP FRD will review all proposed new bank accounts and arrangements with financial services providers and banks and will present same to the FAR Committee for their consideration.</p> <p>The VP FRD is also responsible for cash flow projections prepared by the Finance Team to ensure adequate and effective management of cash resources.</p> <p>The Officer of the VP FRD will also act as the main escalation point for relationships with existing financial services providers and will manage any tenders (with the approval of FAR / Governing Body) for changes to existing providers.</p>
<p>Finance Manager &amp; Finance Analyst (and their teams)</p>	<p>Both the Finance Manager and Finance Analyst play a critical role in managing bank balances on a daily / weekly basis.</p> <p>Alongside their teams their responsibilities extend, amongst others, to:</p> <ul style="list-style-type: none"> <li>• Ensuring sufficient controls are in place, as laid down by the Governing Body.</li> <li>• Approving bank payments and supporting documentation</li> <li>• Accurately recording transactions and reporting of bank balances.</li> <li>• Reviewing bank reconciliations</li> <li>• Preparing cash flow projections for review by the VP FRD, Executive Board, FAR &amp; Governing Body</li> <li>• Undertake and act as the primary contact with the Institute’s financial services provider.</li> </ul>
<p>All staff</p>	<p>To notify their Senior Manager and the Vice President for Finance, Resources &amp; Diversity with any details or information on bank accounts that are opened or operated outside those listed in Appendix 1.</p> <p>To report suspected breaches of this policy to their Head of Department / School, Head of Function / Vice President <b>and</b> the Vice President for Finance, Resources &amp; Diversity.</p>

**Risk appetite**

Risk is an inherent part of running any organisation. Risk appetite (aka risk tolerance) provides stakeholders guidance as to the level and type of risk that the Institute believes is acceptable in the pursuit of their objectives. Risk appetite is specific to the activity being undertaken. DkIT are ‘Risk Cautious’ for all matters financial, to include treasury management. Risk Cautious means the Institute value robust governance and strong financial controls around all matters pertaining to treasury management. Furthermore, based on a Risk Cautious appetite the Institute values the security of funds on deposit above the return it may generate.

**Existing banking arrangements**

Bank mandates of the Institute are initially reviewed by the Vice President for Finance, Resources & Diversity before being present to the FAR Committee for their review. The Finance, Audit & Risk Committee will, subject to their review, recommend the bank mandate to the Governing Body for approval. Each bank mandate is signed off by the Chairperson and Secretary to the Governing Body. Each bank engaged by the Institute is supplied with a list of officials authorised to sign as per the existing bank mandate signing instructions,

together with their specimen signatures. The mandate approved by the relevant bank must be complied with at all times.

Any changes pertaining to existing bank accounts involving the Institute's funds shall only be done in accordance with the authorised bank mandate that has been approved by the Governing Body. These changes do not extend to routine management of accounts but instead changes to the method in which funds are administered (e.g. ordering a new credit card terminal is a routine management activity, changes to a bank mandate is a change to existing bank account).

A list of existing bank accounts and banking arrangements is detailed in Appendix 1.

### **New banking arrangements**

In order to ensure the number of bank accounts are kept at a minimum requests for new bank accounts will be approved by exception only. Every attempt should be made to operate within the framework of bank accounts currently in operation before submitting a request for a new bank account.

Any request for a new bank account or engaging with a new financial services provider should be discussed with the relevant Line Manager (Head of Department or Head of Function) before being discussed with the Vice President for Finance, Resources and Diversity and the Finance Manager. Based on these discussions a proposal will be documented, in conjunction with the Requestor, for consideration by the Executive Team and Finance, Audit & Risk Committee. Based on these reviews a recommendation will be presented to the Governing Body for consideration.

Opening and operating bank accounts pertaining to the Institute's funds shall only be done in accordance with the authorised bank mandate that has been approved by the Governing Body.

All bank accounts shall be in the name of Dundalk Institute of Technology (refer to Appendix 1). No other division, department or section shall be empowered to operate a bank account relating to their or any other Institute activity.

### **Liquidity and funding**

DkIT are currently in a net cash positive position (e.g. it has cash reserves in the bank and does not have any borrowings etc.) This is monitored on a regular basis with cash-flow projections carried out as part of the annual budget cycle. It is key, based on projections, the Institute retains sufficient cash to fund the day-to-day financial obligations as they fall due over the next 12 months.

Cash flow projections are prepared by the Finance Team and then reviewed by the Vice President for Finance, Resources & Diversity before being presented to Executive Board for review. Cash-flow projections are then presented to the Finance, Audit & Risk Committee before being recommended for approval by the Governing Body.

The Institute does not hold any loans, finance leases, debentures, overdrafts etc. Current financial liabilities are those incurred as part of its normal operations (trade payables, credit card balances, amounts received in advance etc.) and not debt drawn down from a financial services provider.

### **Cash management**

The Institute manages current account balances to ensure any excess cash balances are transferred into an approved deposit account with the same financial services provider. This activity of monitoring cash balances

is carried out by the Finance Manager, or in their absence by another member of the Finance Management Team. A review takes place weekly or more frequently should that be required. Requests to transfer funds from a current account to a deposit account is approved by another user on IBB.

The balance held in current accounts is informed by upcoming creditor payment runs, payments due to other third parties and any wage/salary payments falling due. A monthly report of the various bank account balances is provided to both the President and Vice President for Finance, Resources and Diversity by the Finance Manager.

### **Bank relationship management**

The Office of the Vice President for Finance, Resources & Diversity and the Finance Manager is responsible for liaising with the Institute's bankers. The day-to-day operation of bank accounts and banking arrangements is the responsibility of the Finance Office in the Institute.

DkIT will select one bank to provide the current account facilities for the Institute's operations. Other financial services providers may be utilised where their service can't be replicated by the existing provider. Such additional services will be in isolation and will require the approval of the Finance, Audit & Risk Committee.

Training will be provided wherever necessary to staff within the Finance Office to facilitate the implementation of this policy.

### **Process for managing bank statements**

Bank statements are an important tool for managing the active bank accounts within the Institute. As outlined in Appendix 2 all bank statements, irrelevant of the bank account name, must be forwarded to the Finance Office should the address on the bank account include 'DkIT' or 'Dundalk Institute of Technology'. Any bank statements received will be opened and examined against the list of bank accounts listed in Appendix 1.

Staff or students should not use DkIT's postal address for personal bank accounts / bank statements.

### **Acceptable Bank Credit Ratings**

Credit ratings can be applied to a variety of debt issues/issuers and are used by companies as a means of evaluating the risk of placing deposits and other transactions which expose them to credit risk with certain banks. There are three main credit rating agencies: Standard & Poor's ("S&P"), Moody's Investor Services ("Moody's") and Fitch IBCA ("Fitch"). All of the ratings agencies split their categories between short-term and long-term.

DkIT will only engage with banks or financial institutions that have satisfactory long, term credit ratings (i.e. at or above 'BBB-' from Standard and Poor or Fitch and 'Baa 3' from Moody's). These credit ratings will only apply to banking facilities where the Institute have balances not in excess of €50,000.

### **Review and update**

This policy will be reviewed and updated on an annual basis, or as required, to ensure that any changes to the DkIT's governance structure and business practices are reflected in the policy.

## Appendix 1: List of existing bank accounts

- Dundalk Institute of Technology
  - DkIT Supplementary Account (account number ending 1280)
  - DkIT Student Registration Account (account number ending 1447)
  - DkIT Part-time Tuition Fees Account (account number ending 0012)
  - DkIT Foreign Fees Account (account number ending 3060)
  - DkIT Salary & Wages Account (account number ending 1017)
  - DkIT Regional Development Centre Account (account number ending 1520)
  - DkIT Sterling Account (account number ending 1065)
  - DkIT Deposit Account (account number ending 8094)
  
- Dundalk College Campus Services
  - DCCS Limited Account (account number ending 1876)
  
- DkIT Sport
  - DkIT Sport Income Account (account number ending 0185)
  - DkIT Sport Main Account (account number ending 0268)
  
- D Connect DAC
  - DkIT Connect DAC (account number ending 7003)

The Institute also holds one credit card (refer to Purchasing Card Policy), engages with Transfermate to facilitate the payment of non-EU student's fees payments and refunds and also has a PayPal Account to facilitate student printing services.

## **Appendix 2: Process for the management of bank statements**

- All bank statements, received by post in Dundalk Institute of Technology, must be forwarded to the Finance Office for verification, sorting and filing.
- Any bank statements received by other departments in the Institute should be forward to the Finance Office immediately.
- Irrelevant of the account holder name, once the address on the bank statement, or on the envelope of the bank statement, is the postal address of Dundalk Institute of Technology, then the bank statement must be sent to the Finance Office of the Institute.