TREASURY POLICY

Section	Finance
Contact	Chief Financial Officer
Last Review	July 2022
Next Review	July 2025
Approval	C26/58
Effective date	21 July 2022

Purpose:

The purpose of this policy is to provide a framework for the banking, borrowing and investment requirements of the University, which maintains the flow of essential finance to operations and for the capital investment, in a manner that manages the risks inherent in these activities.

Policy:

The Treasury function at Massey University has two major roles:

a) The University Banker
b) Financial Risk Management

Massey University has a documented Treasury Framework, which details the requirements of these two roles.

The Treasury Framework contains explicit direction in respect of: -

- Operations including Banking relationships, cash management, cash forecasting, funds management
- Borrowing
- Investing/Lending
- Risk management

The Treasury Framework must be reviewed triennially.
The implementation of the Treasury Framework is the responsibility of the DVC University Services (DVC US), and all Treasury functions must operate in accordance with the approved Treasury Framework.

It is an express provision of this policy that any two of the Vice Chancellor, DVC US, and Chief Financial Officer (CFO) can open a bank account on behalf of the University.

Audience:

All staff

Relevant Legislation and Legal Compliance:

Crown Entities Act 2004
Education and Training Act 2020
Public Finance Act 1989

The Treasury policy of the University must be prepared, interpreted, and acted upon in compliance with the above legislation.

Specifically, all financial activities of the University must comply with the above legislation.
S282 (4) of the Education and Training Act 2020 requires written consent from the Secretary of Education to:

- sell or dispose of assets or interest in assets
- mortgage or charge assets or interests in assets
- grant leases of land or buildings or parts of buildings
- to borrow, issue debentures or otherwise raise money.

However, there are some exemptions to the above in S282 (5) as follows:

Subsection (4) does not prohibit an institution, without the consent of the Secretary, from:

(a) selling or otherwise disposing of, or mortgaging or otherwise charging, an asset or an interest in an asset, where the value of the asset or interest does not exceed an amount determined by the Minister or an amount ascertained in accordance with a formula determined by the Minister:
(b) granting a lease for a term that does not exceed, and when added to any term for which the lease may be renewed does not exceed, 15 years:
(c) borrowing, issuing debentures, or otherwise raising money, where the amount to be borrowed, the amount of the debentures, or the amount to be raised, does not exceed an amount determined by the Minister or ascertained in accordance with a formula determined by the Minister.

The Education and Training Act 2020 also regulates the Debt-to-Equity ratio, and Debt Servicing ratios.

S65I of the Public Finance Act 1989 prohibits investment in shares and fixed interest securities other than Government Stock, Treasury Bills, and investments or bank bills held with banks approved by the Minister.

Related Procedures and Documents:

Treasury Framework
Delegations Document

Document Management Control:

Prepared by: Chief Financial Officer
Authorised by: DVC US
Approved by: C26/58
Date issued: 30 September 2003
Last review: July 2022
Next review: July 2025