1. INTRODUCTION

This document sets out the policies, practices and objectives of the University’s treasury management activities, as approved by the Finance and Policy Committee.

The University defines its treasury management activities as:

- The management of the University’s investments and cash flows, its banking, money market and capital market transactions; the effective control of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks.

- The University regards the successful identification, monitoring and control of risk to be the prime criteria by which the effectiveness of its treasury management activities will be measured. Accordingly, the analysis and reporting of treasury management activities will focus on their risk implications for the University.

- The University acknowledges that effective treasury management will provide support towards the achievement of its business objectives. It is therefore committed to the principles of achieving value for money in treasury management, and to employing suitable comprehensive performance measurement techniques, within the context of effective risk management.

This policy is specific to cash management and therefore excludes the management of the permanent endowment assets which is managed separately by the Endowment Committee which is a sub-committee of Finance and Policy Committee. Any cash balances held by the University in relation to the permanent endowments assets and the capital associated with any expendable endowments will be managed as part of the overall University’s cash balance and will therefore be covered by this policy and not the Endowment Committee.

The core principles the University will follow when investing money are:

- to make deposits secure;

- to ensure they have sufficient liquidity for their daily demands;

- to produce the highest return, once the first two considerations have been met.

No treasury management activity is without risk and therefore defining the level of acceptable risk is essential. The treasury policies are designed to minimise the risk of capital loss but cannot eliminate it entirely.
2. RISK MANAGEMENT

The Director of Finance will design, implement and monitor all arrangements for the identification, management and control of treasury management risk, will report at least annually on the adequacy/suitability thereof to the Finance and Policy Committee, and will report to the Finance and Policy Committee, as a matter of urgency, the circumstances of any actual or likely difficulty in achieving the University’s objectives in this respect. In respect of each of the following risks, the arrangements which seek to ensure compliance with these objectives are set out in Schedule A.

2.1 Credit risk management

The risk of failure by a counterparty to meet its contractual obligations to the University under an investment, borrowing, capital, project or partnership financing, particularly as a result of the counterparty’s diminished creditworthiness, and the resulting detrimental effect on the University’s capital or current (revenue) resources.

*The University regards a key objective of its treasury management activities to be the security of the principal sums it invests. Accordingly, it will ensure that its counterparty lists and limits reflect a prudent attitude towards organisations with whom funds may be deposited, and will limit its investment activities to the instruments, methods and techniques listed in Schedule A: 1.1. The list will be reviewed on an ongoing basis by the Director of Finance and at least annually by the Finance and Policy Committee.*

*The Finance Director will have the power to temporarily remove (and then to reinstate) any counterparty if any current issues should result in doubts over that counterparty’s ability to repay funds.*

2.2 Liquidity risk management

The risk that cash will not be available when it is needed, that ineffective management of liquidity creates additional unbudgeted costs, and that the University’s business objectives will be thereby compromised.

*The University will ensure it has adequate though not excessive cash resources, borrowing arrangements, overdraft or standby facilities to enable it at all times to have the level of funds available to it which are necessary for the achievement of its business objectives. Funds available to the University are listed in Schedule A: 1.2.*

2.3 Interest rate risk management

The risk that fluctuations in the levels of interest rates create an unexpected or unbudgeted burden on the University’s finances, against which the University has failed to protect itself adequately.

*The University will manage its exposure to fluctuations in interest rates with a view to containing its interest costs, or securing its interest revenues while maintaining the security of the invested funds. It will achieve this by the prudent use of its approved financing and investment instruments, methods and techniques, primarily to create stability and certainty of costs and revenues but at the same time retaining a sufficient
degree of flexibility to take advantage of unexpected, potentially advantageous changes in the level or structure of interest rates.

2.4 Exchange rate risk management

The risk that fluctuations in foreign exchange rates create an unexpected or unbudgeted burden on the University’s finances, against which the University has failed to protect itself adequately.

The University will manage its exposure to fluctuations in exchange rates so as to minimise any detrimental impact on its budgeted income/expenditure levels. The University will normally only retain funds in currencies to the extent that payments are due to be made in these currencies. This will be reviewed quarterly and any currency balances surplus to requirement will be transferred into sterling at the best rate achievable at that time. Further details are set out in Schedule A: 1.3.

2.5 Refinancing risk management

The risk that maturing borrowings, capital, project or partnership financings cannot be refinanced on terms that reflect the provisions made by the University for those refinancings, both capital and current (revenue), and/or that the terms are inconsistent with prevailing market conditions at the time.

The University will ensure that its borrowing, private financing and partnership arrangements are negotiated, structured and documented, and the maturity profile of the monies so raised are managed, with a view to obtaining offer terms for renewal or refinancing, if required, which are competitive and as favourable to the University as can reasonably be achieved in the light of the market conditions prevailing at the time.

It will actively manage its relationships with its counterparties in these transactions in such a manner as to secure this objective, and will avoid over reliance on any one source of funding if this might jeopardise achievement of the above.

2.6 Legal and regulatory risk management

The risk that the University itself, or an organisation with which it is dealing in its treasury management activities, fails to act in accordance with its legal powers or regulatory requirements, and that the University suffers losses accordingly.

The University will ensure that all of its treasury management activities comply with its statutory powers and regulatory requirements.

2.7 Fraud, error and corruption, and contingency management

The risk that the University fails to identify the circumstances in which it may be exposed to the risk of loss through fraud, error, corruption or other eventualities in its treasury management dealings, and fails to employ suitable systems and procedures and maintain effective contingency management arrangements to these ends.

The University will ensure that it has identified these circumstances and has taken the appropriate action, including the provision of appropriate and adequate internal controls.
and insurance cover. These activities will be reviewed on a regular basis as part of the internal audit plan.

2.8 Market risk management

The risk that, through adverse market fluctuations in the value of the principal sums the University borrows and invests, its stated treasury management policies and objects are compromised, against which effects it has failed to protect itself adequately.

The University will seek to ensure that its stated treasury management policies and objectives will not be compromised by adverse market fluctuations in the value of the principal sums it invests, and will accordingly seek to protect itself from the effects of such fluctuations.

2.9 Covenant breach risk

The risk that the University fails to meet terms set by lenders which leads to default of loans and the resulting withdrawal of credit facilities.

The University will monitor its loan covenant compliance on an ongoing basis appropriate to the risk. The Director of Finance will report annually to Finance and Policy on this as part of the annual treasury management report. The University will seek to minimise the security requirements of new debt and maximise the opportunity of the existing debt portfolio.

2.10 Inflation risk management

The risk that the University experiences a reduction in the real value of its monetary assets due to increases in the general level of prices for goods and services it consumes on a regular basis.

The Director of Finance will monitor the potential impact of inflation and will report annually to the Finance and Policy Committee on the likely impact of inflation and any mitigation strategies that have been followed.

3. DECISION MAKING AND ANALYSIS

The University will maintain full records of its treasury management decisions, and of the processes and practices applied in reaching those decisions, both for the purposes of learning from the past and for demonstrating that reasonable steps were taken to ensure that all issues relevant to those decisions were taken into account at the time.

4. APPROVED INSTRUMENTS, METHODS AND TECHNIQUES

The University will undertake its treasury management activities by employing only those instruments, methods and techniques detailed in Schedule A and within the limits and parameters approved by the Finance and Policy Committee.

5. ORGANISATION AND SEGREGATION OF RESPONSIBILITIES

The University considers it essential for the purposes of the effective control and monitoring of its treasury management activities, for the reduction of risk of fraud or error, and for the
pursuit of optimum performance, that these activities are structured and managed in a fully integrated manner, and that there is at all times clarity of treasury management responsibilities. The principle on which this will be based is a clear distinction between those charged with setting treasury management policies and those charged with implementing and controlling these policies, particularly with regard to the execution and transmission of funds, the recording and administering of treasury management decisions, and the audit and review of the treasury management function.

The Director of Finance will ensure that there are clear written statements of the responsibilities for each post engaged in treasury management and the arrangements for absence cover. These are set out in Schedule B. The Director of Finance will also ensure there is proper documentation for all deals and transactions, and that procedures exist for the effective transmission of funds.

6. REPORTING REQUIREMENTS AND MANAGEMENT INFORMATION

The Finance and Policy Committee will, as a minimum receive an annual report, covering:

- the strategy and plan to be pursued in the coming year;
- the performance of the treasury management function during the year, including the reasons for and the effects of any changes to the strategy set at the beginning of the year;
- the performance of any external service providers.

Further details are set out in Schedule B.

7. ACCOUNTING AND AUDIT ARRANGEMENTS

The University will account for its treasury management activities in accordance with appropriate accounting practices and standards, and with statutory and regulatory requirements in force for the time being.

The University will ensure that its auditors and any other bodies charged with regulatory review have access to all information and papers supporting the activities of the treasury management function as are necessary for the proper fulfilment of their roles, and that such information and papers demonstrate compliance with external and internal policies and approved practices.

8. CASH AND CASH FLOW MANAGEMENT

The Director of Finance will have responsibility for the cash management of the University and its subsidiaries as defined under this policy.

The Treasury Manager will prepare a weekly funds report detailing bank balances, deposits and borrowings and provide commentary on significant transactions.

Cash flow projections will be prepared on a regular and timely basis, and the Finance Director will ensure these are adequate for the purposes of monitoring compliance with treasury management practice on liquidity risk management.
9. INVESTMENTS

The Director of Finance together with the Director of Research and Innovation Services (RIS) will have responsibility for the management of investments in spin-out companies. The Director of Finance and the Director of RIS will report annually to Finance and Policy on the University’s interests in spin-out companies, associates and subsidiary companies.

The Director of Finance will have responsibility for the management of all other investments. The investments in Government bonds inherited from the mergers of Duncan of Jordanstone Art College and Northern College will be redeemed as they fall due.

10. MONEY LAUNDERING

The University is alert to the possibility that it may become the subject of an attempt to involve it in a transaction involving the laundering of money. Accordingly, it will ensure that staff involved in this are properly trained and fully aware of the University’s Fraud Prevention Policy.

11. STAFF TRAINING AND QUALIFICATIONS

The University recognises the importance of ensuring that all staff involved in the treasury management function are fully equipped to undertake the duties and responsibilities allocated to them. It will, therefore, seek to appoint individuals who are both capable and experienced and will provide training for staff to enable them to acquire and maintain an appropriate level of expertise, knowledge and skills. The Director of Finance will recommend and implement the necessary arrangements. For approved qualifications and training courses see Schedule D

12. USE OF EXTERNAL SERVICE PROVIDERS

The University recognises the potential value of employing external providers of treasury management services, in order to acquire access to specialist skills and resources. When it employs such service providers, it will ensure it does so for reasons which will have been submitted to a full evaluation of the costs and benefits. It will also ensure that the terms of their appointment and the methods by which their value will be assessed are properly agreed and documented, and subjected to regular review. It will further ensure, where feasible and necessary, that a spread of service providers is used to avoid over reliance on one or a small number of companies. Where services are subject to formal tender or re-tender arrangements, the University’s Procurement Policy will always be observed.

Where external service providers are appointed with the responsibility for day-to-day treasury matters the University will retain full responsibility for the safeguarding of its funds and setting the treasury strategy.

13. BANKING ARRANGEMENTS

The University recognises the importance of ensuring effective control over its bank accounts. All funds due to the University are deposited in accounts with the University’s main bank unless otherwise approved by the Director of Finance. Banking arrangements will be subject to periodic review.
1. RISK MANAGEMENT

1.1 CREDIT AND COUNTERPARTY LISTS

The University regards a prime objective of its treasury management activities to be the security of the principal sums it invests. Accordingly, it will ensure that its counterparty lists and limits reflect a prudent attitude towards organisations with whom funds may be deposited.

The Director of Finance is responsible for monitoring the credit standing of approved counterparties. Where he/she has reason to believe that a counterparty’s credit standing is or may become impaired he/she should apply lower limits than set out in this schedule or cease to use them. Any change to the counterparty list should be advised to the Finance and Policy Committee.

All counterparties must have a minimum short-term rating of F1 from Fitch, A1 from Standard & Poor’s or P1 from Moody’s. Where a counterparty has multiple ratings all the ratings should normally meet these requirements. The Finance and Policy Committee can authorise the use of counterparties where some, but not all, of the ratings meet these requirements as long as the ratings not meeting these requirements are no lower than F2 from Fitch, A2 from Standard & Poor’s or P2 from Moody’s. These ratings will be reviewed at least quarterly for institutions in which funds are held and before any new funds are deposited. In addition to credit ratings, relevant information from financial advisors and the media will be taken into consideration.

With the exception of Royal London Cash Management, no deposits should be committed for a period in excess of 12 months.

As the University’s main facility is a rolling credit facility the policy is to minimise this facility whilst maintaining sufficient funds are always available to meet any short term liquidity needs. In the event that there are funds to deposit, the Director of Finance is authorised to deposit surplus funds of the institution with any of the organisations listed below to ensure achievement of the best net returns available.

The approved counterparty list is as follows:

<table>
<thead>
<tr>
<th>Counterparties</th>
<th>Limits</th>
<th>Account Type</th>
<th>Time Period</th>
</tr>
</thead>
<tbody>
<tr>
<td>University’s main bankers – Royal Bank of Scotland</td>
<td>£30 m</td>
<td>Special interest bearing account</td>
<td>Overnight</td>
</tr>
<tr>
<td></td>
<td>50%</td>
<td>Fixed term deposits</td>
<td>Up to 12 months</td>
</tr>
<tr>
<td>Institution</td>
<td>Amount</td>
<td>Percentage</td>
<td>Investment Type</td>
</tr>
<tr>
<td>-------------------------------------------</td>
<td>---------</td>
<td>------------</td>
<td>-----------------------------------------------------</td>
</tr>
<tr>
<td>University's main bankers – Barclays</td>
<td>£20 m</td>
<td>50%</td>
<td>Fixed term deposits</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>AAA rated money market funds*</td>
</tr>
<tr>
<td>Royal London Cash Management</td>
<td>£15 m</td>
<td>30%</td>
<td>Certificates of deposit &amp; interest bearing bank accounts</td>
</tr>
<tr>
<td>Lloyds Banking Group (including Bank of Scotland)</td>
<td>£20 m</td>
<td>50%</td>
<td>Fixed term deposits</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>AAA rated money market funds*</td>
</tr>
<tr>
<td>Santander UK plc</td>
<td>£20.0 m</td>
<td>50%</td>
<td>Fixed term deposits</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>AAA rated money market funds*</td>
</tr>
<tr>
<td>Handelsbanken</td>
<td>£10.0 m</td>
<td>25%</td>
<td>Fixed term deposits</td>
</tr>
</tbody>
</table>

* Total investments in money market funds should not exceed 10% of the total amount of cash and deposits

**Royal London Cash Management (RLCM)**

RLCM are permitted to invest in deposits and certificates of deposit with banks and building societies on an approved Credit List with a maximum limit of £1 million in any one name. RLCM may also invest an unlimited amount in UK Treasury Bills. The Credit List includes UK and non-UK Banks which must have a minimum Standard & Poor’s short-term credit rating of A1. RLCM are permitted to invest up to £2 million for periods of up to 2 years; in practice, the majority of deposits are for 3 months.

RLCM acts as agent for the University. The Portfolio of investments is the property of the University and HSBC Bank acts as Custodian of the Portfolio holding all instruments or documents of title on behalf of the University. All cash transactions between the University and RLCM are credited or debited to Royal London Cash Management Client Trust Settlement Account with HSBC Bank on a same day basis. RLCM are not liable for any fraud or insolvency of the Custodian (HSBC) or our own Bankers therefore there is a low risk in respect of monies transferred to and from the Client Trust Settlement Account.

The University maintains a detailed list of RLCM transactions which is summarised for the Director of Finance as part of the weekly funds report.

The limits set out above may be amended only with approval of the University’s Finance and Policy Committee.
1.2 LIQUIDITY

The University maintains an effective cash and cash flow forecasting and monitoring system which identifies the extent to which the University is exposed to the effects of potential cash flow variations and shortfalls on a daily basis.

The University currently has access to the following borrowing facilities.

<table>
<thead>
<tr>
<th>Notice Period</th>
<th>Source</th>
<th>Funding Type</th>
<th>Facility Limit</th>
<th>Interest Rate</th>
<th>Review Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 business day</td>
<td>Bank of Scotland</td>
<td>Revolving Credit Facility</td>
<td>£40 million</td>
<td>Libor + 0.6%</td>
<td>May 2021</td>
</tr>
</tbody>
</table>

As the University’s main facility is a rolling credit facility the policy is to minimise this facility whilst maintaining sufficient funds are always available to meet any short term liquidity needs. This is need is met through holding funds within the current/overnight account with the University’s main banker (Royal Bank of Scotland) and through the following Instant Access deposit facility.

<table>
<thead>
<tr>
<th>Notice Period</th>
<th>Source</th>
<th>Funding Type</th>
<th>Minimum Total Deposit Level</th>
<th>Facility Limit</th>
</tr>
</thead>
<tbody>
<tr>
<td>Instant Access</td>
<td>Royal London Cash Management</td>
<td>Certificates of Deposit</td>
<td>£1 million</td>
<td>Maximum deposits held: £15 million</td>
</tr>
</tbody>
</table>

1.3 EXCHANGE RATE EXPOSURE POLICY

The University’s policy is to minimise exposure to exchange rate fluctuations. The University aims to conduct all transactions in GBP as its base currency and the currency which reflects the vast majority of its costs base. There will however be exceptions, such as EU research contracts, whereby the University will need to conduct transactions in other currencies.

The University maintains Euro and US Dollar accounts and where possible these will be used to match payments and receipts.

The main currency risk is within the area of research and commercial research contracts. The University has in place a policy (Schedule C) to monitor such contracts on an ongoing basis and thereby aim to minimise any adverse currency exposure.

Currency receipts, other than Euros and US Dollars, are converted into sterling upon receipt. Deposits of Euros and US Dollars are retained where appropriate to cover anticipated currency payments. The balances on these bank accounts are reviewed on a quarterly basis and any currency in excess of £500k plus known commitments is then translated into GBP.
The Director of Finance is authorised to buy and sell currencies with any of the organisations listed below. Forward purchases and sales of currencies are allowed for periods of up to three months ahead for a maximum value of EUR10m.

<table>
<thead>
<tr>
<th>Institution</th>
<th>Limits</th>
</tr>
</thead>
<tbody>
<tr>
<td>University’s Bankers</td>
<td>$10 million</td>
</tr>
<tr>
<td></td>
<td>Euro 5 million</td>
</tr>
<tr>
<td>Other UK Clearing Banks and approved counterparties (see 1.1)</td>
<td>$5 million</td>
</tr>
<tr>
<td></td>
<td>Euro 3 million</td>
</tr>
<tr>
<td>Financial Brokers (Registered by the FSA)</td>
<td>$5 million</td>
</tr>
<tr>
<td></td>
<td>Euro 3 million</td>
</tr>
</tbody>
</table>

The limits set out above may be amended only with approval of the Finance and Policy Committee.

1.4 REFINANCING

In the event that the University need to either renew existing borrowing facilities or obtain new facilities, the Director of Finance will report to the Finance and Policy Committee to explain the basis of any such requirement. Once approved in principal the Director of Finance, along with the University’s financial advisors, will conduct an appropriate process with potential funders to secure the best terms for the University. Any arrangements are subject to final review and approval by the Finance and Policy Committee as defined in the Schedule of Delegation.
UNIVERSITY OF DUNDEE

TREASURY MANAGEMENT POLICY

ADMINISTRATION

1. TENDERING

The Director of Finance will review regularly the quality and cost of banking services and if deemed necessary will seek Finance and Policy Committee’s approval for a tender exercise in respect of these services.

The tender process will be that normally followed by the University, contained within its Financial Regulations and Procurement Policy. The Finance and Policy Committee is responsible for the appointment of the service provider on the recommendation of the Director of Finance.

2. PERFORMANCE MEASUREMEN

Cash deposits will be reported at each month end showing amount, counterparty, period and interest rate. The report will also include interest rates offered by other approved banks.

3. ORGANISATION AND SEGREGATION OF RESPONSIBILITIES

3.1 FINANCE AND POLICY COMMITTEE

- To agree to University’s borrowing strategy.
- Approval of and consideration of amendments to the University’s treasury management policy and practices.
- To review borrowing requirement and approve borrowing facilities.
- To receive and review the annual treasury report and any interim reports as deemed necessary.

The Director of Finance will provide an annual treasury report which will cover the following:

- Commentary on treasury operations for the year.
- Cash flow compared with budget and commentary on variances.
- Annual financial strategy for the next financial year.
- Proposed amendments to the treasury management policy statement.
- Matters in respect of which the treasury management policy statement has not been complied with.
- Analysis of currently outstanding loans, deposits and investments by instrument, counterparty, maturity and interest rollover period.
3.2 DIRECTOR OF FINANCE

The Director of Finance is authorised, subject to the provisions of the policy statement, to:

- Recommend the treasury management policy and practices for approval, reviewing the same regularly and monitoring compliance.
- Receive and review management information reports and to provide at least annually a treasury report to Finance and Policy Committee.
- Review the performance of the treasury management function and promote best value reviews.
- Ensure the adequacy of treasury management resources and skills, and the effective division of responsibilities within the treasury management function.
- Recommend the appointment of external service providers.
- Approve the deposit of surplus funds with counterparties other than overnight with the University's main bankers or Royal London Cash Management.
- Ensure the revolving credit facilities are operated within the limits agreed by the Finance and Policy Committee.
- Operate foreign bank accounts to the extent that they are necessary to facilitate the operational activities of the University.

3.3 HEAD OF REPORTING

The Head of Reporting will:

- Receive and review weekly fund reports.
- Manage treasury management resources and skills, and the effective division of responsibilities within the treasury management function.
- Supervise treasury management staff.
- Identify and recommend opportunities for improved practices.
- Authorise the execution of transactions in accordance with loan covenants and University payment policy procedures.
- Provide cover for the Treasury Accountant.

3.4 TREASURY ACCOUNTANT

The Treasury Accountant will:

- Execute transactions.
- Adhere to agreed policies and practices on a day-to-day basis.
- Maintain relationships with third parties and external service providers.
- Prepare and maintain systems documentation relating to the treasury function.
- Monitor cash flows on a daily basis.
- Submit management information reports to the Director of Finance as required.
- Prepare weekly fund reports
UNIVERSITY OF DUNDEE

TREASURY MANAGEMENT POLICY

The Treatment of Currencies in Research Projects.

A number of research projects within the university are funded in foreign currencies – mainly Euros, but also US dollars and other currencies. These can be either grants or contracts.

EU funded grants are received in advance of any work being done. When the cash is received it does not belong to the University but is effectively held in trust until the work is completed and a claim made. On receiving the cash the University has an asset (cash) and an equal liability (deferred income), both denominated in EUR. There is therefore no exchange exposure.

Periodic claims are made to the EU as work is carried out. The claims are submitted in EUR converting GBP costs into EUR at the official exchange rate ruling at the date of the claim. At that point EUR equal to the value of the claim are sold for GBP and an equal amount of deferred income is released to the income and expenditure account. All these transactions take place at the same rate and there is no exchange exposure. Any remaining EUR cash held for the grant is offset by an equal and opposite balance of deferred income.

In order to give PIs improved information, RCFO will produce budgets in sterling on the basis of the exchange rate prevailing at the date RCFO sets up a code for the project.

In order to make sure that PIs have up-to-date information about the remaining budget, budgets will be recalculated regularly to take into account movements in the exchange rate. This will be done at the then prevailing rate of exchange when either of the following happens:

- Invoice or grant claim prepared by RCFO
- Remittance received from funder

RCFO will also recalculate the budget at other times to make sure that it is restated at least once a quarter. The PI and his/her administrator(s) will be informed of any budget recalculations and will be responsible for staying within the recalculated budgets. Clearly currency movements are outwith the control of the PI or the University but, as the grant/contract is currency limited, we must remain within the total currency allowed. This will also ensure that claims are maximised in the event of positive movements.

There will be a recalculation at the point the final claim/invoice is prepared. The PI will be required to resolve any problems with over/under spends up to the sterling value of the final claim/invoice. It is recognised that the settlement of the final claim/invoice for some of these projects (especially European Commission funded projects) can be very late. So long as the project is within budget at the point the final claim/invoice is prepared, any subsequent exchange rate movement up until the date the final payment is received will be dealt with centrally.
The above will also apply to fixed price contracts which are priced at or above FEC. Where a fixed price has been set below FEC, the default position is that any positive currency movement will be used to off-set the FEC shortfall.

Where the PI is being asked to stay within a lower budget as a result of adverse movements, the overall principles should be the same as those relating to management of pay inflation constraints:

- Where possible, savings should be made from direct cost items to offset the reduced budget, for example staffing gaps during the period of the grant or an under-spend on non-pay budgets.
- If it is not possible to avoid exceeding the recalculated budget, then the College / School should review its other income sources to see if it possible to make up this shortfall elsewhere.
- If this is not possible, then the over-spend would need to taken into the income and expenditure account of the College / School.
Approved qualifications

Association of Corporate Treasurers

The following qualifications are ideal but not mandatory

Certificate in International Treasury Management
AMCT Diploma in Treasury
MCT Advanced Diploma

Staff involved in day to day treasury matters should attend the following training:

BUFFD Cash and Treasury Management
Next review date: March 2019

Version control

<table>
<thead>
<tr>
<th>Version number</th>
<th>Date</th>
<th>Changes</th>
</tr>
</thead>
<tbody>
<tr>
<td>2.01</td>
<td>26 March 2012</td>
<td>Review by A Hewett and changes arising from internal audit review dated 21 November 2011</td>
</tr>
<tr>
<td>3.00</td>
<td>26 March 2012</td>
<td>Approved by Finance Committee</td>
</tr>
<tr>
<td>3.10</td>
<td>25 March 2013</td>
<td>Use of AAA rated money market funds added to investment options – Finance and Policy Committee 25 March 2013</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Addition of Santander to approved list of institutions – Finance and Policy Committee 21 January 2013</td>
</tr>
<tr>
<td>3.20</td>
<td>24 March 2014</td>
<td>Proposal to F&amp;P Committee to increase limits with Lloyds and Santander. Clarification on credit rating requirements.</td>
</tr>
<tr>
<td>3.30</td>
<td>24 March 2014</td>
<td>Changes approved by F&amp;P Committee</td>
</tr>
<tr>
<td>3.40</td>
<td>18 August 2014</td>
<td>Proposal to F&amp;P Committee to cater for increasing Euro balances</td>
</tr>
<tr>
<td>4.10</td>
<td>9 March 2017</td>
<td>Changes to reflect new Bank of Scotland revolving credit facility</td>
</tr>
<tr>
<td>4.20</td>
<td>19 January 2018</td>
<td>Minor changes by A Hewett to reflect changes in structure within Finance and Procurement.</td>
</tr>
<tr>
<td>4.30</td>
<td>22 October 2018</td>
<td>Change to counterparty limit for Royal Bank of Scotland</td>
</tr>
</tbody>
</table>