



**POLICY ON INVESTMENTS**



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## TITLE AND COPYRIGHT

<b>Title</b>	<b>Policy on Investments</b>
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## DOCUMENT CONTROL DETAILS

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## 1. PURPOSE

It is the policy of the University of Venda to invest all surplus funds as profitably and as secure as possible.

## 2. DEFINITION

### 2.1 Investments

All funds are deposited into bank accounts and invested in financial institutions and endowment policies.

### 2.2 Financial Institutions

Reputable banks and insurance companies with an AAA-rating as indicated in the Bank Grading Survey.

### 2.3 Earnings

Interest and dividends received of a secure rather than speculative nature.

### 2.4 Investment Committee

The Executive Management Committee (EMC) will act as the investment committee, until such time that the size of the investment portfolio warrants a separate Investment Committee consisting of council members, members of management and an external portfolio manager appointed by the Investment Committee.

### 2.5 Investment Exco

The day-to-day management of investments will be performed by an investment Committee consisting of the Director Finance, Head of Financial Services with signing powers and the Manager Income.

## 3. RULES

- 3.1 The Investment Committee prepares a cash flow and investment programme for each budget year.
- 3.2 The day-to-day cash management resides with the Manager Income who prepares a weekly report to the Director Finance.
- 3.3 The Executive Management Committee clears all investments longer than 90 days and withdrawals of these investments.



- 3.4 All endowment policies are quoted for and discussed by the Committee for a final decision before presenting the proposal to the Executive Management Committee.
- 3.5 The placing of investments is determined by economic factors, i.e. security, yield, term and conversion possibilities. The possibility or size of bursaries, grants and/or donations must not be a deciding factor.
- 3.6 A written report is provided at each Finance Committee, stating the movement in investments and the various yields of the financial instruments in the portfolio.
- 3.7 The signing power with regard to cheques also applies to investments.
- 3.8 The Treasurer files all securities in a lockable fireproof facility according to a register.
- 3.9 Interest and dividends are University income and may not be utilised for any other purposes.

## 4. PROCEDURES

- 4.1 The investment or withdrawal is determined by the current cash flow position, medium term financial needs and long term provisions.
- 4.2 The Manager Income performs the day-to-day cash management.
- 4.3 The Manager Income advises the Investment Committee in time when investments are to be made or withdrawn.
- 4.4 At least three quotes should be obtained directly from the approved financial institutions and discussed by the Investment Committee for a decision.
- 4.5 All movements in investments are reported at the next Finance Committee meeting.

## 5. FORMS

None

## 6 RELATED POLICIES AND DOCUMENTATIONS

Policy on bank accounts

## 7 REGULATORY FRAMEWORK

GAAP

King III report on Corporate Governance

Higher Education Act (Act 107 of 1997)



**8 REVIEW DATE**

This policy will be reviewed after three years or as and when the need arises.

**9 RECORD OF CHANGES**

REVISION	DATE	AUTHOR(S)	DESCRIPTION

**10 APPROVAL**

A handwritten signature in black ink, appearing to be 'R. M. M.', written over a horizontal line.

Registrar (Secretary of Council)