Treasury Management Policy

2026/2027

Valid from	August 2026
Next Review	July 2027
Policy Owner	Anjana Jonathan, Director of Finance
SLT Approval Date	17 June 2026
EIA Approval Date	17 June 2026
Committee Approval (if required)	Finance & Resources Committee 23 June 2026
Board Approval (if required)	7 July 2026
Version History	New Policy

Amendment to Policy

Name of Policy	**Treasury Management Policy**
Policy owner	Director of Finance
What has been changed	This is a new policy as previously treasury management was covered under Financial Regulations.
Reason for update	New Policy
Key changes being proposed	New Policy

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Contents

1. PURPOSE

The purpose of this policy is to ensure the proper management of the College's cash flows, investments, borrowings, and banking arrangements, thereby safeguarding assets and supporting the College's strategic objectives.

2. SCOPE

This policy applies to all treasury management activities undertaken by Stanmore College, including cash management, investment, borrowing and banking.

3. POLICY STATEMENT

Stanmore College recognises that effective treasury management is essential to the prudent stewardship of its financial resources. The College will manage its treasury activities in accordance with legal, regulatory and sector guidance, ensuring that risks are minimised and opportunities maximised.

4. DEFINITION

Treasury management is defined in accordance with the CIPFA Code of Practice (May 1992) as:

"The management of all money and capital market transactions in connection with cash and funding resources of the College."

5. OBJECTIVES

The objectives of treasury management are:

- To ensure sufficient liquidity to meet the College's obligations & commitments as they fall due.
- To manage financial risks, including interest rate, credit, and other counterparty risks.
- To optimise returns on surplus funds within agreed risk parameters.
- To ensure compliance with statutory and regulatory requirements.
- To support the College's strategic and operational objectives.
- To ensure that sufficient sums are available at short or no notice to meet foreseeable requirements.
- To spread risk between differing types of investment and institutions.

6. ORGANISATION

- The board approves the policy, monitors compliance, and reviews treasury performance.

- The principal is responsible for the overall implementation, security and management of funds.

- The day-to-day management of the treasury function will be controlled by the Director of Finance in accordance with Financial Regulations to ensure adherence to the policy.

- The Director of Finance will liaise with the Principal, Board and the College's financial advisors in relation to strategy and market conditions.

- Finance Staff will support treasury activities and ensure compliance with procedures.

7. STRATEGY

- Ensure compliance with Department for Education **(DfE**'s) and sector guidance regarding borrowing. Monitor interest rates and terms to ensure value for money. Borrowing powers shall be determined in accordance with the financial memorandum between the DfE/ GLA and Stanmore College and Financial Regulations.

- Investment of Surplus Funds only with approved bank.

- Prioritise security and liquidity over yield.

- All investments must be authorised in accordance with college procedures.

- After the daily aggregation of all balances in the accounts of the College's approved Bank, any transfer of amounts between these accounts will be processed by the Director of Finance, or the nominated finance staff. Any other surplus monies shall be invested, according to the principles of good decision making, in account of the College with the approved institutions as set out in Appendix 1, authorised by the Director of Finance, or the nominated finance staff and confirmed in writing by the institution with which the deposit is made.

- Credit Risk will be minimised by ensuring that funds are spread across a range of investments as appropriate, and subject to limits in Annex 1. Each investment institution credit rating will be monitored using ratings provided by Standard and Poor's, Moody's.

- Bank, Bank/ PLC and Building Society deposits will be held over various periods from 3 months up to a maximum of one year. If balances are to be deposited beyond one year, then an annual review of the investments must be carried out.

- The Director of Finance, or the nominated finance staff will prepare an outline cash flow forecast for each month and for a 12 month period, identifying the following factors:

Income
- Funding Body grant income
- Tuition fees
- Capital receipts
- Other income

Payments
- Salary/wages
- Creditor payments
- Contract payments
- Capital Payments
- Other expenses

8. CAPITAL FINANCE
Capital finance may be raised in accordance with the guidelines set out by the DfE and the College Financial Regulations.

9. BANKING ARRANGEMENTS
- Maintain banking relationships with reputable institutions.
- Review banking arrangements periodically for efficiency and cost-effectiveness.
- Ensure segregation of duties and appropriate authorisation of transactions.

10. APPROVED INSTITUTIONS FOR INVESTMENTS
Security of any investment is paramount. A list of approved institutions is set out below:

Clearing Banks

Barclays Bank PLC
(Currently, Stanmore College only banks with Barclays Bank PLC)

11. EXTERNAL ADVISORS
- The appointment of external advisors is to be made by the Corporation as required.

- The Director of Finance shall consult as necessary with professional external advisors.

12. LIMITS AND AUTHORITIES

The Corporation reserves the powers to:

- Give prior approval to the opening of new bank current accounts
- Amend the list of approved institutions
- Give prior approval to any bank or building society deposit with maturity date greater than one month
- Give prior approval to any investment product other than a bank or building society

The Corporation delegates to the Director of Finance the power to place deposits in the College's name at approved institutions subject to the limits set out in Annex 1

The Resources Committee will be provided with an analysis of investments within the monthly Management Accounts.

13. REVIEW

This policy statement will be reviewed annually by the Resources Committee which will recommend any changes to the Corporation.

14. CONTROL AND INSPECTION

The Director of Finance will maintain a register of all deposits/investments held which will record:

- Institution with which the deposit is made
- Date deposit was placed
- Amount deposited
- Date of maturity
- Amount due to be returned
- Interest earned
- Rate of interest obtained
- Authorisation for the transaction

The College's bank mandates for electronic transfer of funds for investment purposes, only allow transfer of funds to:

- Approved institutions detailed in Section 6 of this policy and.
- Between bank accounts approved by the Resources Committee

All transactions should be confirmed in writing; the authorised signatories must be satisfied that all documentation is in order.

All electronic transfer of funds will be summarised and approved by the Director of Finance, or his/her nominee on a weekly basis.

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Bank balances and all investments/deposits will be reconciled and balanced to the College's accounting records monthly.

Cost of funds and requirement for funds will be monitored via monthly income/expenditure and cash flow budgets.

15. RISK MANAGEMENT

- Regularly review and assess financial risks associated with treasury activities.
- Ensure appropriate controls are in place to mitigate risks, including fraud prevention.
- Maintain a register of treasury-related risks as part of the College's overall risk management framework.
- Ensure relevant staff receive appropriate training in treasury management.
- Keep abreast of sector developments and regulatory changes.

Annex 1

Limits available to the Director of Finance:

Maximum Deposit – each single deposit	£1,000,000
Maximum of all deposits with clearing banks	£4,000,000

Barclays Bank Accounts currently hold in the name of Stanmore College:

- Current Account
- Business Premium Plus
- Business Premium
- 95 - Notice Account
- Treasury Deposit

Treasury investments are not held in a bank account and are instead invested on the Barclays Treasury Market and an investment transaction note is issued to the College. All funds are transferred from the College's current account and returned to the Current Account on maturity.