

RESERVES POLICY

1. INTRODUCTION

1.1. PURPOSE

The purpose of this policy is to promote long-term financial sustainability of the University through the effective use and deployment of financial resources, in alignment with University's strategic direction. A related purpose is to ensure financial reserves held are appropriate and reasonable, and managed in accordance with university guidelines.

2. PRINCIPLES

2.1. To ensure the long-term financial sustainability of the university, to maintain sufficient resources to manage risks, to recognize commitments and to take advantage of opportunities. The policy provides guidance to balance these needs with the University's primary mission of supporting academic freedom, research and service activities.

3. TYPES OF RESERVES

3.1. Endowment Reserves

Represent funds where the donor has specified that the funds be permanently invested to generate an income stream for our general benefit. Endowment funds may be permanent or expendable depending on the donors wish.

3.2. Restricted Reserves

Restricted reserves include all funds donated to the University for a specific purpose and use. These funds must be spent in line with the donors wishes. Where there are capital grants, these are restricted to capital investment activities.

3.3. Unrestricted Reserves

The surplus for the year excluding restricted fund activities represents the unrestricted funds and as such are freely available to spend on any of the University's activities.

4. USE OF RESERVES

4.1. The Council and Senior Management will determine the appropriate access and use of reserves funds. It may also identify specific groups of reserves to be held to fund specific operational activities.

4.2. Authorisation to use reserves fund will be made by Council on recommendation of Finance Estates and Resources Committee as advised by Senior Management Team.

5. LEVEL OF RESERVES

5.1. An appropriate level of unrestricted reserves must be maintained to meet the University's commitments relating to welfare and education of students and the long-term sustainability of the University.

5.2. The measure will be based on a minimum number of operating days' costs of 50 days.

6. REVIEW OF POLICY

6.1. This policy will be reviewed by Finance Estates and Resources Committee at least every 3 years and should be considered when preparing financial plans.