



# Treasury and Investment Policy

## Purpose

The purpose of this document is to ensure that SPCA (including subsidiaries) manages its treasury risk with care, diligence and prudence.

## Scope

This policy applies to funds and investments held by SPCA and should be read in conjunction with the Statement of Investment Policies and Objectives (SIPO)

## 1. Objectives

- 1.1 To ensure that SPCA has sufficient funds available to meet its day to day requirements and budgeted expenditure
- 1.2 That SPCA holds appropriate reserves.
- 1.3 That surplus funds and non-cash investments (e.g. buildings) are managed in an appropriate manner.

## 2. Policy

- 2.1 The SPCA Board and SPCA Investments Ltd (SIL) Board approve new bankers, financial institutions and bank signatories as appropriate to each entity.
- 2.2 The SPCA Board and SIL Board approves the SIPO
- 2.3 SPCA/SIL will only borrow funds with the respective Boards approval.
- 2.4 To cover sudden adverse situations, a minimum amount of 3 months 'net cash' reserve is considered safe practice guideline. This should be managed to meet the cash requirements of the organisation. Net Cash is defined as controllable income less operating and capital expenditure – it excludes income from legacies.
- 2.5 All funds must be held through NZ banks, financial institutions or investment companies.
- 2.6 All investments whether made directly by SPCA/SIL or through an investment company must be in ethically appropriate organisations– e.g. no animal testing, child labour.

## 3. Responsibilities & Accountabilities

- 3.1 SPCA will review its banking arrangements at least every five years and any change in banks must be undertaken within a robust process.
- 3.2 Any suspected non-compliance will be reported to the CEO immediately.
- 3.3 The CEO/Chief Financial Officer will report breaches to this Policy and appropriate remedial actions being undertaken to the Audit and Risk Committee ("ARC") Chair

Number & Title:	Policy - Treasury and Investment	Issue date:	June 2023
Document Owner:	National Office Document Control	Date next review:	June 2025

or SIL Board Chair as soon as possible and to the ARC/SIL Board at its next meeting. If deemed appropriate by the CEO and ARC Chair/SIL Chair, the breach should be reported immediately to the Board(s).

#### 3.4 Chief Executive Officer

- Implement and ensure compliance to, this Policy.
- Apply to the Board(s) for one-off transactions where these may fall outside approved policy guidelines.
- Report to the ARC Chair/SIL Board Chair on breaches or exceptions to this Policy.
- Chief Financial Officer manage the long term balance sheet structure of SPCA within policy guidelines.
- Control the cash-flow to ensure funds are available when necessary to make required payments.
- Maximise return from funds, within Boards risk appetite, whilst ensuring suppliers are treated fairly.
- Ensure that accounting standards are appropriate and applied to SPCA transactions.
- Maintain the relationship with SPCA's banking and investment partners.
- Opening new bank accounts or closure of existing accounts after ARC and Board Approval.
- When changes occur, formally advise SPCA's banks the names, titles, signatures of any staff members authorised to make Treasury transactions.
- Implement controls, monitoring and reporting facilities to ensure this Treasury Policy is effective.
- Regularly report to the ARC/SIL Board on treasury management.
- Review the Treasury and Investment Policy every two years and recommend any changes to the CEO, ARC and SIL Board.
- Under delegation from the SPCA Trust administer any Trust legacy bequests as they arise.

## 4. Review

The Audit & Risk Committee shall review the Treasury and Investment Policy every two years and recommend any changes to the Board.