6.07.3 Cash Management and Investment Strategy

<table>
<thead>
<tr>
<th>Directorate</th>
<th>Council Business and Governance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Responsible Officer</td>
<td>Finance Manager</td>
</tr>
</tbody>
</table>

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Introduction

Bega Valley Shire Council (BVSC) is committed to effectively managing its cash reserves and investments to achieve the maximum rate of interest within agreed risk parameters and still maintain a safety net of funds to meet current liabilities as they fall due.

This document provides guidance on the management of BVSC’s cash and investments through the TCorp (NSW Treasury Corporation) Client Portal.

These guidelines are consistent with Council’s approved Investment Policy (Policy 6.07 adopted 29 November 2017).

Strategies

As outlined in Council’s adopted Investment policy, when investing funds, consideration must be given to Council’s known cash requirements. Council has the ability to manage its cash flow requirements more easily and effectively through the TCorp Client Portal; and in addition the TCorp Client Portal will provide greater reporting capabilities.

There are a number of options available to councils under TCorpIM Core Funds, which include:

- TCorpIM Cash Fund
- TCorpIM Strategic Cash Fund
- TCorpIM Medium Term Growth Fund
- TCorpIM Long Term Growth Fund

The TCorpIM Cash Fund and TCorpIM Strategic Cash Fund invest in short dated Australian cash and fixed interest securities, and are ideal for generating stable income over the short term.

The TCorpIM Medium Term Growth Fund and TCorpIM Long Term Growth Fund are diversified funds that invest in a blend of growth and defensive asset classes. These funds are designed for investors with longer term time horizons and are able to take additional investment risk in order to generate higher potential returns.

The preservation of capital is the principal objective of the BVSC’s approved Investment policy. Consistent with BVSC’s risk tolerance, as defined under BVSC’s approved Investment policy, staff can only place investments in the TCorpIM Cash Fund or the TCorpIM Strategic Cash Fund.

Legislation

At all times all investments are to comply with the minimum requirements as set out in the:

- Local Government Act 1993;
- Local Government (General) Regulation 2005;
- Ministerial Investment Order;
- Local Government Code of Accounting Practice and Financial Reporting;
- Australian Accounting Standards;
- NSW Government Circulars - Council will pay due regard to any circulars, guidelines or best practice guides issued by the Office of Local Government or other relevant regulatory bodies as issued from time to time even if these guidelines are not a mandatory requirement.
Council’s cash balance should be reviewed on a regular basis to determine which following actions are available.

### Decision (Flowchart)

- **Deposit**: If after review the balance exceeds $1 million* then deposit funds.
- **Withdraw**: If after review the balance is less than $1 million* then withdraw funds.
- **Remain**: If balance is close to $1 million* then leave funds.

*Note

While the document includes indicative amounts, professional judgement should be applied and/or advice sought from the Manager Finance or CFO.
### Cash Management and Investments

**Action Officer:**

**Approving Officer:**

<table>
<thead>
<tr>
<th>No.</th>
<th>Action</th>
<th>Completion</th>
<th>Observation or Evidence (including relevant dates)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Action Officer - check the balance of Council’s bank account and determine cash requirements for the day</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
| 2.  | Action Officer - use the TCorp Portal to either Deposit or Withdraw funds under the Transactions tab prior to mid-day (12pm).  
  - Refer to attachment – TCorp Client Portal (User Guide)  
  - In comments section, include the bank account balance and expected payments for the day |            |                                                  |
| 3.  | Action Officer - transactions to the TCorpIM Cash Fund should be greater than $249,999     |            |                                                  |
| 4.  | Approving Officer - Approval is required via TCorp Portal  
  - Refer to attachment - TCorp Client Portal (User Guide) | Enter Transaction ID = |                                                  |

If divesting funds from TCorp, these funds will be transferred automatically back to the Council’s bank account. Steps 5 – 9 not required.

| 5.  | Approving Officer - send email to arrange payment including a screen shot of the TCorp approval  
  Save email into  
  TRIM FOLDER - F11/642 – Investments – Council Investments – Investments made by Council | Email title (Transaction ID) – Date – TCorp - Approval |

| 6.  | Organise payment to TCorp via Electronic Funds Transfer (EFT) by 5pm on settlement date  
  **Statement Reference** = Transaction ID |

| 7.  | Approve the payment in the bank account for EFT |

| 8.  | Action Officer - send an email to Manager and Coordinators in Finance Team with checklist |

| 9.  | Save email into  
  TRIM FOLDER - F11/642 – Investments – Council Investments – Investments made by Council | Email title (Transaction ID) – Date – TCorp - Checklist |
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Getting started with the TCorp Client Portal

This guide shows you how to get the most of the TCorp Client Portal.

The TCorp Client Portal enables you to:

- access your TCorp balances and reporting online;
- efficiently create and approve transactions; and
- see a comprehensive view of your TCorp relationship.

Contact Us

For more information, please call Client Services on 02 9325 9267
or email ClientServices@tcorp.nsw.gov.au.

For Councils, please call Local Government Services on 02 9325 9251
or email LGS@tcorp.nsw.gov.au.
1. Homepage

Account Summary

The Account Summary provides a snapshot of your account balances at the close of the previous business day. You can view and download reports using the quick links in the Product/Account columns. You can also create a new transaction using the quick links on the right side of the Account Summary.

Contacts and Portal Users

The Contacts page displays the people listed as contacts for your organisation, and identifies if the contact has Portal access and/or authority to approve transactions. (All Portal users can create transactions, but only authorisers can approve.) Authorisers can also be found on the ‘Pending Transactions’ page.

You can access the Contacts page by hovering over the Home page.

Please contact your Client Relationship Manager, or ‘Request Change’ through the Client Portal, if there are any changes to the contact information or Portal User access for your organisation.
2. Transactions

Transactions Page
On the Transactions page, you can:

- create new transactions;
- view and approve pending transactions; and
- view your online transaction history.

Summary of Notice Period to Transact
While the TCorp Client Portal provides streamlined online transactions, there are still times when you need to speak to TCorp before entering a transaction. The notice period required by TCorp are outlined in the table below.

<table>
<thead>
<tr>
<th>Transaction Type</th>
<th>Notice Period</th>
<th>Phone TCorp?</th>
</tr>
</thead>
<tbody>
<tr>
<td>TCorpIM Cash Fund</td>
<td>Same day, if you submit your authorised transaction before 12 p.m.</td>
<td>No. Although we appreciate 24 hours' notice of your transaction if it is over $20,000,000.</td>
</tr>
<tr>
<td>All Other TCorpIM Funds</td>
<td>Up to five business days prior notice is required.</td>
<td>Yes. Please call your Client Relationship Manager to confirm a settlement date for your transaction.</td>
</tr>
<tr>
<td>Debt and Discrete Asset Mandate transactions</td>
<td>Case-by-case basis.</td>
<td>Yes, please call your Client Relationship Manager to confirm a settlement date for your transaction.</td>
</tr>
<tr>
<td>Bank Term Deposit application using TCorpIM settlement</td>
<td>Same day, if you submit your authorised transaction before 12 p.m.</td>
<td>Yes. Please call your Client Relationship Manager to confirm the Term Deposit rate.</td>
</tr>
<tr>
<td>Bank Term Deposit application using RTGS settlement</td>
<td>Same day, if you submit your authorised transaction before 2 p.m.</td>
<td>Yes, please call your Client Relationship Manager to confirm the Term Deposit rate.</td>
</tr>
<tr>
<td>Bank Term Deposit rollover</td>
<td>Same day, if you submit your authorised transaction before 2 p.m.</td>
<td>Yes, please call your Client Relationship Manager to confirm the Term Deposit rate.</td>
</tr>
</tbody>
</table>

Please note: TCorp reserves the right to change the processing times for all TCorpIM Funds.

Create New Transaction
You can ‘Create New Transaction’ using the drop-down menu on the Transactions page, or by clicking on the transaction quick links through the Home page. From here, select the account ID, product and transaction type to access the right form, then simply complete details and ‘Submit for Approval’.

Approve Transaction
Once you have submitted the transaction for approval, you can approve the transaction by clicking ‘Approve’. Alternatively, click ‘Close’ if you need another authoriser from your organisation to approve the transaction. You will be able to view the transactions from the ‘Pending Transactions’ page.
Modify Transaction

You can click ‘Modify’ to edit the details in the ‘Transaction Details’ page. You can only modify a transaction if it has not been submitted to TCorp. Please contact your Client Relationship Manager immediately if you have submitted an incorrect transaction.

Cancel Transaction

You can click ‘Cancel’ to withdraw your transaction if it has not been fully authorised. A cancelled transaction, or a transaction that has been submitted to TCorp, cannot be modified again. If you wish to proceed with a transaction that has been cancelled, you will need to create a new transaction.

View and approve Pending Transactions

An authoriser can access the pending transactions through the Approval notification on the Home page, or on the Pending Transactions page. On the Pending Transactions page, authorisers can select the Transaction ID number and then click ‘Next’ to review and approve the Transaction.

Pending transactions will display the status ‘Pending Approval’ (if they haven’t been authorised at all) or ‘Partially Approved’ (if they have been approved by one authoriser, and your organisation requires dual authorisation).

View Online Transaction History

The Online Transaction History lets you track a transaction’s status as it progresses through your authorisation process and TCorp’s settlement process. Transactions marked as ‘Processed by TCorp’ will form your transaction confirmation. The status of a transaction, once submitted to TCorp, can be:

- Submitted to TCorp
- Received by TCorp
- Processed by TCorp
- Rejected by TCorp (TCorp will reject a transaction submitted after a cut-off time, if your TCorpIM account has insufficient funds, or your transaction exceeds your approved borrowing limit.)
- Expired by TCorp (This status will appear if a settlement date passes before a transaction is fully approved.)
3. TCorpIM Statements

TCorpIM Fund reports are available on the TCorpIM Statements page. You can access to a full range of statements and reports, including previous monthly statements and information from the previous financial year end.

Monthly TCorpIM Flash Report
This report provides a snapshot of investment market and TCorpIM Fund returns. The report is typically available on the second or third business day after the end of each month.

Monthly TCorpIM Funds Performance Report
This report details the monthly investment performance of the TCorpIM Funds and provides a commentary on market events that may have impacted investment performance. The report is typically distributed on the tenth business day after the end of each month, except for June month end when the report is distributed on or before the fifteenth business day after 30 June.

Half-yearly TCorpIM Funds Performance Review
This report details the investment performance of the TCorpIM Funds and provides a commentary on market events that may have impacted the Funds. This report is distributed half yearly after 31 December and 30 June.

Final Monthly Statement
Details of all transactions, income, returns and balances are provided in the Final Monthly Statement. The statement is typically issued on the second business day after the end of each month (except the June Final Monthly Statement).
4. Bank Term Deposits

The indicative Term Deposit rates are available on the Bank Term Deposit page from 11 a.m. daily. For more information about TCorp’s Bank Term Deposit Distribution Service, please download the Bank Term Deposit Information Guide from the TCorp Forms page.

5. Reports

Your Reports
This page gives you access to daily, monthly and year-end financial reports about the performance of your portfolios, as well as any interest reminders and trade advices, if applicable.

Your Documents
This page gives you access to any documents which outline the terms of your relationship with TCorp, including your current authorities and mandate.

TCorp Forms
This page gives you access to forms and publications, including the TCorpIM Funds Brochure, New Account form, Portal Access and Authority, and Bank Term Deposit account set up forms.

6. Tools

Calculators
The TCorp Client Portal offers some easy-to-use calculators to calculate interest on short term loans and deposits as well as settlement values on nominal fixed interest loans. Simply fill in the terms of your deposit or loan in the boxed fields of the correct calculator and click on ‘Calculate’.

• Simple Interest Calculator for Term Deposits or Short-term Loans.
• Nominal Fixed-Interest Bond Calculator for TCorp bonds with semi-annual coupon payments.

Service Requests
Service Requests can be lodged electronically for technical or product/service support.

Change Password
To ensure your password is secure, please change your password every couple of months. Your new password must be a minimum of eight characters and include at least three of the following four features:

• UPPER CASE letters
• Lower case letters
• Numbers (1, 2, 3, 4, etc)
• Non-alphanumeric characters, like ‘?’, ‘!’, ‘&’

For technical assistance or to reset your password, please call the TCorp IT Service Desk on 02 9325 9392.