

# Crewe Town Council



## Treasury Management Policy

Treasury Management is simply what we do with the money that the Council holds in its bank account(s). The guiding principles in managing that money are as follows:

- To maximise the return on that money
- To minimise the risk to that money
- To have efficient management procedures to handle that money

Unlike an individual the Council's monies are not protected in any way should a bank encounter difficulties or at worst case fail. As such at any one time the Council's monies are at risk.

**Policy 1** – The Council should spread the risk by placing money with two or more institutions. However, the Council also wishes to see the number of accounts kept to a minimum as a multiplicity of accounts is operationally inefficient and more complex to audit and scrutinise.

**Policy 2** – Where the Council can achieve a higher return it should seek to place monies in institutions other than that holding the current account.

**Policy 3** - To ensure that monies held in the current account maintain cash flow, but seek to maintain a balance of between £25k and £75k.

**Policy 4** – As the Council is new and as patterns of spending/income are not yet established the Council does not wish at the present time to tie any of its deposits to any terms other than instant<sup>1</sup> access.

**Policy 5** – The RFO is authorised subject to authorisation from Council to open an account with an institution not holding the Council's current account and which gives a net return on instant access greater than the current account.

**Policy 6** – The RFO shall move funds available in line with Policy 3 to that account and as necessary move funds back to ensure adequate working capital is in the current account. Internal scrutiny shall review these transactions on a quarterly basis.

**Policy 7** - The Council will seek to ensure levels of general reserves remain at a level that lies between a third or half of annual expenditure.

Approved at Council 10/5/16 (Addition of Policy 7)

Approved at Council 21/3/17 (New wording of Policy 3)

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<sup>1</sup> 'Instant' to equate to no more than 24hr access.