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Investments and Interest on Funds



Implementation date: 5/4/2009

forward together
sonke siya phambili
saam vorentoe

Investments and interest on funds

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Policy owner¹:	Chief Operating Officer
Policy curator²:	Chief Director: Finance
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Validity:	The English version of this regulation is the operative version, and the Afrikaans version is the translation.

¹ Rules Owner: Head(s) of Responsibility Centre(s) in which the rules functions.

² Rules Curator: Administrative head of the division responsible for the implementation and maintenance of the rules

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INVESTMENTS AND INTEREST ON FUNDS

Policy number: 003A/06/04

Scope: The policy provides financial guidelines with regard to investments and interest paid and received at cost points.

Policy:

INVESTMENTS

Funds can be invested on the long or the short term:

Short-term funds

Short-term funds earn interest at a variable rate that is realised monthly at a variety of deposit-taking institutions.

Long-term funds

Long-term funds are managed by the University's external portfolio manager. They are invested in shares, government stock and other investment instruments. The income from long-term investments, which is apportioned annually in December, naturally is lower than short-term interest, as a portion of the returns is capital growth. The capital gain or loss is realised and apportioned when funds are withdrawn from the long-term investment pool.

INTEREST ON FUNDS

The non-budget cost points (usually research cost points) receive interest on credit balances and interest is levied on overdrawn balances. The relevant account numbers are as follows:

5705 - Sundry interest receipts

2146 - Sundry interest payments

Contact Division:

Funds and Assets Control