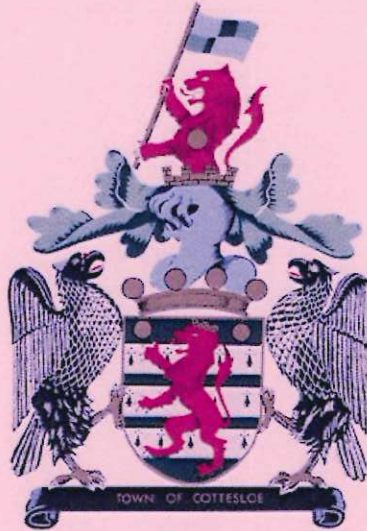


TOWN OF COTTESLOE



Works and Corporate Services  
Committee

**ATTACHMENT 10.1.3**

Meeting Date: 21 August 2012

## TOWN OF COTTESLOE POLICY

### INVESTMENT OF SURPLUS FUNDS

**(1) OBJECTIVE**

To ensure that surplus funds are invested appropriately and that appropriate records are kept.

**(2) PRINCIPLE**

To invest surplus or reserve funds in secure investments with appropriate returns and to ensure those investments are appropriately recorded.

**(3) ISSUES**

All investment decisions require a balancing of risk against returns. Generally speaking a higher yielding investment will inherently have a higher risk of loss associated with it.

As the funds held by Council are in effect public funds, Council needs to be relative conservative in its investment decisions.

The Local Government (Financial Management) Regulations 1996 also contain restrictions on the types of investments that funds can be placed into.

**(4) POLICY**

- (a) The Manager, Corporate and Community Services be authorised to invest surplus funds in the following investments:
- (i) In any of the Public Funds or Government Securities of the Commonwealth or any State or Territory;
  - (ii) In any bond in which payment of the amount secured and payment of interest on that amount is guaranteed by the Commonwealth or a State;
  - (iii) In any interest bearing deposit in an authorised deposit taking institution.
- (b) Investments be made after consideration has been given to the interest rate on offer, the amount already held with the institution, the timing of the investment, and with due regard to the scheduled expenditures of the Council.
- (c) Investments are only to be made in Australian Dollars (\$AUD).
- (d) The Term of any investment is not to be greater than:
- (i) 12 months in the case of a deposit with an authorised deposit taking institution;
  - (ii) 3 years in the case of bonds.

**ADOPTION:** August 2012

**REVIEW:** December, 2017