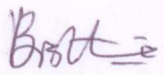



# The Catholic University of Eastern Africa

TITLE	AUTHOR
<b>PROCEDURE FOR INVESTMENT CUEA/DVC FIN/FIN/08</b>	<b>INVESTMENT OFFICER</b>
	NO. OF APPENDICES:
	<b>1 (ONE) (A)</b>
<b>AUTHORIZATION</b> This Standard Operating Procedure is issued under the authority of:	
TITLE/POSITION	<b>FINANCIAL ADMINISTRATOR</b>
SIGNATURE	
DATE	<b>23 February 2011</b>
ISSUE DATE	<b>23 February 2011</b>
STAMP CONTROLLED / UNCONTROLLED	<b>CONTROLLED</b>
<b>NOTE:</b> <ol style="list-style-type: none"> <li>1. Write amendments on the page provided (Clause 0.2)</li> <li>2. Controlled copies of this document will be in the Financial Administrators office</li> </ol>	

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**0.2 RECORD OF CHANGES**

<b>No.</b>	<b>Date</b>	<b>Details of Changes</b>		<b>Authorization</b>
	<i>(dd-mm-yy)</i>	<i>Page</i>	<i>Clause/subclause</i>	<i>Title</i>

**0.3 Distribution / Circulation**

This standard operating procedure is available at relevant functions for authorized users.


**1.0 PURPOSE**

The purpose of this procedure is to ensure that all monthly surpluses invested in higher return and all capital projects are implemented on timely bases

**2.0 SCOPE**

This procedure covers all monies and capital project to be invested by the Catholic University.

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### 3.0 TERMS AND DEFINITIONS

For the purposes of this procedure, the definitions in the quality manual shall apply in addition to the following;

- 3.1 Fixed deposit:** funds put with Banks from a period of one month to one year
- 3.2 T-Bills:** Government short terms for a period of three to six month
- 3.3 Government Bond:** Government borrowing for a period more than one year
- 3.4 Commercial papers:** An unsecured, short-term debt instrument issued by a corporation, typically for the financing of accounts receivable, inventories and meeting short-term liabilities. Maturities on commercial paper rarely range any longer than 270 days. The debt is usually issued at a discount, reflecting prevailing market interest rates.
- 3.5 Liquidation:** avail cash for operations.
- 3.6 Shares:** Certificate representing one unit of ownership in a corporation, mutual fund, or limited partnership.
- 3.7 Interest rate:** is the rate at which interest is paid by a borrower for the use of money that they borrow from a lender.
- 3.8 Capital project:** all capital projects to be invested in the university: including to Buildings, Land, and all mobile asset.

### 4.0 REFERENCES

- 4.1 Investment policy of the university
- 4.2 University Finance policies
- 4.3 CUEA Quality Management Manual

### 5.0 PRINCIPAL RESPONSIBILITIES


The Investment Officer shall responsible for ensuring that this procedure remains adequate and is effectively implemented.

### 6.0 METHOD

#### 6.1 INVESTMENT

- 6.1.1 The Investment Officer shall receive a proposal(s) for investment from the financial administrator.
- 6.1.2 The investment officer shall analyse, evaluate and appraise the proposal(s) and set priorities for the university. He/she shall then receive and analyze cash flow forecast from the management accountant.

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6.1.3 The investment officer shall then study the market on shares, short term fixed deposit, T-Bill and bond, commercial paper and other money instrument. He/she shall then study the cash flow set priorities for capital investment of the university.

6.1.4 After analyzing the market the Investment officer shall present a cash flow analysis to the investment committee for consideration.

6.1.4.1 If the recommendation is not approved the investment committee shall request for more information or reject.

6.1.4.2 If it is approved the investment officer shall prepare proposal and forward to the financial administrator for implementation.

6.1.5 The Financial administrator shall implement the proposal.

6.1.5.1 If funds are not available at the time, then she/he will postpone implementation and, the proposal shall be referred to the investment officer for re- evaluation and appraisal.

6.1.5.2 If funds are available, the proposal is implemented.

## **6.2. LIQUIDATION OF FIXED DEPOSIT**

6.2.1. The investment officer shall receive daily cash flow from the financial administrator.

He/she shall evaluate and analyze the cash flow

6.2.1.1 If there is no need for funds then end

6.2.1.2 If there is a need for funds, then the liquidation process follows.

6.2.1.3 A letters is written by the Financial administrator for liquidation or interbank transfers

6.2.1.4. The letter will be signed by any two signatories,


6.2.1.5 Payment officer post in the system

6.2.1.6 The Banking officers delivers the letters to the financial institutions for the funds to be transfer.

## **7.0 APPENDICES**

7.1` Appendix A – Investment Flowchart


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## APPENDIX A: INVESTMENT FLOW CHART

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