



**ACCOUNTING POLICY FOR INVESTMENT OF SURPLUS FUNDS**

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## **General**

1. Sustainable investments is the haul mark of any financially growing organization. Autonomous functioning departments in the arena of corporate sector have to develop very comprehensive, concise and visionary investment policies for short and long term sustainability irrespective of National Economy. Air University investment policy provides the guidelines for effective investment with fool proof monitoring system with a view to augment its assets productively. Primary consideration is to supervise, monitor, and evaluate the investment of its financial assets to optimize returns within appropriate calculated risk parameters.

## **Aim**

2. To formulate an investment policy with least risk factor and appropriate returns through credible investment agencies with in available exchequer.

## **3. Main Contours of Investments**

### **Investment through Financial Institution / Agency**

- a. Surplus funds of the University can be invested with some suitable financial institution/ Agency while ascertaining its repute, credibility and understanding of corporate financial ethics.
- b. The investment will be in the name of Air University with no first or second party owners.
- c. The profit / interest rate will be the best rate in the market and there will be no reduction in the profit during the time of investment.
- d. The scheduled banks with minimum credit rating A1 (Short Term) and AA (Long term) are, therefore, considered suitable for making investment. Investments should preferably be made in different banks.

### **Investment Through Profitable Schemes / Join Ventures / Private Partnership**

- a. Some profitable scheme or any other suitable venture keeping in view the rate of interest or profit with minimum risk.
- b. FPC would approve proposals of fresh investments duly recommended by Finance department. Due care may be exercised while selecting a financial institution for investment.
- c. Sustainability & Stability of the institution should be given priority over high rate of profit.
- d. Profit on investments may be credited as and when accrued to AU registered account.

4. **Conclusion.**

Investment of funds is a complex domain, with proper homework, good analysis and correct calculation of risk can give considerable financial growth to the university. Long term measures and visionary decisions can lead to huge sustainability and reliable functioning of the university during financial crisis and impaired national economic situations.

  
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