



**WORKING CAPITAL**

	UBC		
	Actual	Requirement	Variance over Minimum Requirement
Liquidity Fund and Core Working Capital Fund Balance at the lowest point of FY13	\$340M	>\$100M	\$240M

**Benchmark**

Not applicable. UBC’s working capital requirement can only be considered in relation to UBC’s own operating requirements.

**Description**

Working Capital is a measure of the university’s short-term financial health and operating liquidity. It represents the university’s ability to meet short term operating expenses and liabilities. It is also an indicator of underlying operational efficiency. If working capital is trending upward it may mean that the university is holding excess short term resources and not efficiently using the resources at its disposal. If working capital is trending down, the university may risk its ability to meet short term payment commitments.

The requirement, to maintain at least \$100M at the lowest point of the year is to provide for adequate coverage of the most immediate cash needs. For UBC, working capital is represented by the sum of cash and investments in the Liquidity Fund (managed by Treasury) and the Core Working Capital Fund (managed by IMANT).

Person with lead responsibility for this metric: Treasurer  
Data collection will be from: Treasury  
Date: 30 June (for the preceding fiscal year)

**Explanation of Results**

The university has maintained a healthy working capital balance through FY13.

**Recommended Action**

Continue to monitor working capital requirements in relation to upcoming capital project drawdowns to maximise the productivity of liquid resources.