



Quarterly Long-term Investment monitoring Return Form

(Version 2013.1)

Purpose and Definitions

The purpose of this form is to facilitate collection of information and the analysis of the overall municipal long-term investments (longer than 90 days). The overarching objective is the assessment of the funding strategy to ensure financial sustainability and continuity as well as safeguarding cash backing of reserves and funds.

With reference to the IAS standard on 'cash and cash equivalents' we note the following:

"Cash equivalents are held for the purpose of meeting short-term cash commitments rather than for investment or other purposes. For an investment to qualify as a cash equivalent it must be readily convertible to a known amount of cash and be subject to an insignificant risk of changes in value. Therefore, an investment normally qualifies as a cash equivalent only when it has a short maturity of, say, three months or less from the date of acquisition. Equity investments are excluded from cash equivalents unless they are, in substance, cash equivalents, for example in the case of preferred shares acquired within a short period of their maturity and with a specified redemption date.

Call investment deposits' are further disaggregated into 'Deposits with maturities of 3 months or less' and 'Deposits with maturities greater than 3 months'. The latter do not meet the 'cash equivalent' test."

The Long-term Investment monitoring return should therefore only be used for investments longer than 90 days.

Municipalities may also find this return form useful for keeping track of and analysing long-term investments.

Format of Return Form

The return is an Excel spreadsheet with one worksheet and must be submitted electronically each quarter to National Treasury even if the municipality has no long term investments to report.

Please do not copy or rename this worksheet. Ensure each investment is identified uniquely and that all columns are completed before submitting the return.

The database is expecting specific data with specific attributes. If this is not found, problems will arise. Use the prescribed formats and select from the drop-down boxes where supplied to ensure that your return will contain valid entries.

The template conforms to the following specification. Municipalities should not change the template.

Worksheet 1 (Input):

The first worksheet “**IM**” requires each individual long-term investment instrument to be listed and certain attributes for each completed. The columns are wide enough to display the full descriptions of the drop down lists. This worksheet has been protected, as it will be uploaded to the National Treasury database.

- Following the instructions at the top of the worksheet in red for renaming the file.
- In row 7, insert the municipal demarcation code, year-end, and quarter-end as appropriate. In column D, row 7 – select “No” if submitting a NIL return
- The columns not highlighted in yellow should only be entered once for each investment. The yellow columns will be updated each quarter as appropriate.
- The investment number on the left is the system number. This is a unique number and should always remain the same for a particular investment.
- The municipality investment reference number is the number that the municipality use to identify the particular instrument.
- The start date and planned end date must be completed in the format stated in the column heading.
- Column E for Investment term will be calculated based on the start and end date supplied.
- Column F requires the term number and will be calculated based on the start and end date supplied.
- Enter Commission Paid (if any) in Rand.
- Identify the Commission Recipient (if any) in a maximum of 40 characters.
- Select Capital Guarantee (Yes / No).
- Select whether the investment is Committed (Legally Committed / Self Imposed Committed / Not Committed).
- Select the Investment Type.
- Select the Investment Group.
- Identify the Investment Institution (max 40 characters).
- Select the Type of Interest (Fixed / Variable)
- Select the Timing of the interest payment.
- The columns in Yellow will be updated for each investment for each quarter
- Enter the interest rate per annum to 2 decimal places (the interest rate applied for this quarter).
- Enter the interest accrued during the quarter in Rand.
- Enter the balance of the investment at the beginning of the quarter.
- Enter the amount of partial / premature withdrawals during the quarter in Rand (negative).
- Enter any additional investment top up made during the quarter in Rand (positive).
- The balance at the end of the quarter will calculate automatically. There is a note showing how this ending balance is calculated: Begin Balance + Accrued Interest + Partial / premature withdrawals+ Investment Top up.

- There are totals at the bottom of the worksheet. The average interest rate on the total row is calculated as total interest paid / total beginning balance.

Currency and signing Convention

- All figures are to be entered in whole Rands.

Submitting a NIL Return

All municipalities must submit this return each quarter regardless of whether or not they have borrowings. If a municipality does not have borrowings a NIL return must be submitted.

To submit a NIL return select “NO Investments” in cell D7 of the Input worksheet.

Submission Process

Electronic Submission

Ensure the file is saved in the correct format (Muncde_IM_ccyy_Qn.xls) by selecting the correct **MunCode, Financial year, period** and **NO** in the case of a NIL return from the drop-down lists. You may use the inbuilt macro to automatically save using the correct file name. Simultaneously press **Shift+Ctrl+S** (With “**Caps Lock**” off) to invoke the macro. This will save the file in your current working directory. The **Muncode, Financial year** and **period** **MUST** be completed / selected to save correctly.

Email the Excel file to lgdatabase@treasury.gov.za

Timing of Submission

Please submit this return within 20 work days after the end of each quarter.

Quarter	Period	Due Date
1	1 July – 30 September	30 October
2	1 October – 31 December	30 January
3	1 January – 31 March	30 April
4	1 April – 30 June	30 July