



INVESTMENT POLICY

Last Review: January
Committee: Finance & Audit
Date Ratified: 27/01/2022

1. Principles

The school aims to manage its cash balances to provide for the day-to-day working capital requirements of its operations, whilst protecting the real long-term value of any surplus cash balances against inflation. In addition, the school aims to invest surplus cash funds to optimise returns, but ensuring the investments are such that there is no risk to the loss of these cash funds. The governors' Finance and Audit Committee delegate management of the school's investments to the Business Manager.

2. Purposes

- To ensure adequate cash balances are maintained in the current account to cover day-to-day working capital requirements.
- There is no risk in the capital value of any cash funds invested.
- To protect, as far as possible, the capital value of any invested funds against inflation.
- To optimise returns on invested funds.

3. Guidelines

Regular cash flows are to be prepared and monitored to ensure there are adequate liquid funds to meet all payroll related commitments and outstanding supply creditors that are due for payment.

Where the cash flow identifies a base level of cash funds that will be surplus to requirements these may be invested in interest bearing deposit accounts, overnight investment accounts and fixed rate bonds with any bank the governors see fit. The Board shall follow the Charity Commissions guidance: Charities and investment matters: a guide for trustees – GOV.UK.

Where robust financial monitoring indicates the availability of cash funds for investment, proportions of the surplus may be invested for periods of up to 1 year provided that funds can be withdrawn before the investment term albeit with an interest penalty.

On maturity of investment, the Business Manager will review the interest rates being achieved and will compare the other investment opportunities with the parameters of this policy.

4. Authorisation

Before monies are placed, written authorisation from the Headteacher will be gained by the Business Manager. Any documentation will be signed in accordance with the Bank signatory instructions i.e. any two of the authorised signatures.

5. Reviewing

This policy will be reviewed and approved by the Finance and Audit Committee every 2 years.