

St Joseph's College

INVESTMENT & TREASURY MANAGEMENT POLICY

Date of Latest Review:	October 2020
Next Review Date:	October 2021
Policy Available for Staff at:	Website
Policy Available for Parents at:	Main office
Headteacher:	Ms M Roberts

Investment & Treasury Management Policy

1 INTRODUCTION

Treasury management is defined by the Chartered Institute of Public Finance and Accountancy's (CIPFA's) Code of Practice for Treasury Management in the Public Services as the management of the Academy's cash flows, banking, money market and capital market transactions; the effective management of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks.

The objectives of treasury management are:

- a) to provide a means by which St Joseph' College can meet its commitments
- b) to ensure that sufficient sums are available at short or no notice to meet foreseeable requirements
- c) to earn an acceptable rate of return on surplus funds without undue risk
- d) to spread risk between differing types of investment and institutions

2 RESPONSIBILITY

The Headteacher and Governing Body have overall responsibility for the security and management of funds. The day-to-day management of the treasury function is controlled by the Finance Manager.

The Finance Manager will liaise with the Headteacher, SLT and the Resource Committee in relation to strategy, status and market conditions.

The Chair of Resources will liaise with the Governing Body for approval of any changes to strategy and to provide an update on investments.

3 BORROWING OF FUNDS

The Academy is not permitted to borrow without prior permission of the Secretary of State.

Any overdraft/borrowing will only be undertaken after approval of both the full Governing Body and Secretary of State.

4 INVESTMENT OF FUNDS

A return on working capital should be optimised whilst allowing effective access of the funds. In balancing risk against return the Academy's policy is clearly geared towards avoiding risk than to maximising return.

St Joseph's College has a guiding principle for ethical investments.

St Joseph's College will operate an interest bearing current account with a bank or building society approved by the Governing Body. St Joseph's College currently has no reserves but following the 3 year action deficit plan will aim to maintain a balance in the account that is sufficient to cover immediate and forthcoming financial commitments and sufficient contingency for unexpected payments.

Monies surplus to the working requirements shall be invested in an account in the name of St Joseph's College with the approved institutions authorised by the Governing Body. This may be a higher interest bearing account operated by the same bank that the Academy operates its current account with, or an alternative approved institution.

St Joseph's College will not take out any long term investments until a reliable cash flow pattern has been established and agreed by the Resource Committee.

5 CREDIT RISK

Credit risk will be minimised by ensuring that funds are spread across a range of institutions as appropriate. The limits of funds invested with approved institutions will be approved by the Finance Committee and at least annually by the Governing Body and more frequently subject to market conditions.

6 APPROVED INSTITUTIONS FOR INVESTMENT

Security of investment is paramount. Deposits will be made only with institutions approved by the Governing Body in the context of advice from a financial expert.

The Finance Manager will take external professional advice as needed to ensure timely amendments are brought to the Governing Body should the assessed strength of these institutions be downgraded.

7 LIMITS AND AUTHORITY

The Governing Body, on the recommendation of the Finance Committee, is the sole authority to:

- Give approval to the opening of new bank or building society accounts
- Amend the list of approved institutions
- Give approval to any bank or building society deposits
- Give approval to any investment product other than with a bank or building society

The Finance Committee delegates' authority to the Finance Manager to place deposits in the Academy's name, at approved institutions as agreed.

No deposits will be placed by the Finance Manager without prior authorisation by the Headteacher or Resource Committee.

8 REGISTER OF DEPOSITS / INVESTMENTS

The Finance Manager will maintain a register of all deposits/investments held which will record:

- Institution with which the deposit was made
- Date deposit was placed
- Authorisation for the transaction
- Amount deposited
- Date of maturity
- Amount returned
- Interest earned
- Rate of interest obtained

9 RECORDING AND MONITORING

Bank balances and all deposits/investments will be reconciled and balanced to the Academy's accounting records every month.

Cost of funds and requirement for funds will be monitored on an on-going basis via the management accounts.

Monitoring, evaluation and review:

- St Joseph's College will review this policy annually and assess its implementation and effectiveness.