



Investment Policy

Policy Number	
Named Person(s)	COO
Review Committee	Board
Last review date	September 2019
Next review date	Summer 2023

1. Aims

This policy aims to ensure that:

- The academy trust's funds are used only in accordance with the law, its articles of association, its funding agreement and the Academies Financial Handbook
- The trust's funds are used in a way that commands broad public support
- Value for money (economy, efficiency and effectiveness) is achieved
- Directors fulfil their duties and responsibilities as charitable trustees and company directors

2. Legislation and Guidance

The [Academies Financial Handbook](#) states that academy trusts : may invest to further the trust's charitable aims, but must ensure investment risk is properly managed.

This policy is based on the Academies Financial Handbook and guidance from [The Charity Commission](#). This policy also complies with our funding agreement and articles of association.

3. Roles and responsibilities

3.1 Academy trustees

Academy trustees will ensure that investment risk is properly managed. When considering an investment, the board must:

- act within its powers to invest as described in its articles
- have an investment policy to manage and track its financial exposure, and ensure value for money
- exercise care and skill in investment decisions, taking advice as appropriate from a professional adviser
- ensure exposure to investment products is tightly controlled so security of funds takes precedence over revenue maximisation
- ensure investment decisions are in the trust's best interests
- review the trust's investments and investment policy regularly

Trustees will seek prior approval from the Education and Skills Funding Agency for investment transactions that are novel or contentious.

Novel transactions are those of which the academy trust has no experience, or are outside the range of normal business activity for the trust.

Contentious transactions are those which might give rise to criticism of the trust by Parliament, the public, and the media.

3.2 The Chief Operating Officer

The chief operating officer (COO) is responsible for producing cash flow forecasts and for making decisions on investments. The COO also provides information to academy trustees.

4. Investment principles

We only invest funds in low risk accounts either with instant access or on fixed-term deposits for periods ranging from overnight to a maximum of one year.

Risk is managed through diversification of investments, ensuring that the security of funds takes precedence over revenue maximization.

Funds will only be placed with banking institutions that are regulated by the Financial Conduct Authority (FCA) and with good credit ratings.

5. Procedures

The following people are authorised signatories:

- Chief Operating Officer (COO)
- Chief Executive
- Trustees

Before any funds are invested, two authorised signatories will sign to indicate they agree to the investment. An investment authorisation form can be found in appendix 1.

The following information will be recorded about investments:

- Date
- Amount and description of the investment
- Length of investment
- Interest rates/expected return

The COO will review interest rates and compare them with other investment opportunities annually.

Cash flow and current account balances will be monitored regularly by the COO to ensure immediate financial commitments can be met and that the current account has adequate balances to meet forthcoming commitments

When there are funds surplus to immediate cash requirements in the current account, we will transfer these to an account with a higher interest rate.

To manage the risk of default, deposits should be spread by banking institution and be subject to a maximum exposure of £500,000 with any FCA regulated authority with a good credit rating. Whilst this exceeds the protection limit of £85,000 provided by the Financial Services Compensation Scheme, it is accepted that it is not always practicable to keep below this figure, particularly when taking the day to day banking needs into account.

Funds, and any interest earned on those funds, will be automatically reinvested unless money is required for immediate or anticipated expenditure.

6. Monitoring arrangements

The COO monitors the implementation of this policy.

7. Links with other policies

This investment policy links with our policies on

Accounting

Competitive tendering

Investment Policy

Appendix 1: Investment Authorisation Form

Date investment made		Duration of investment	
Amount			
Interest rate		Expected return	
Description of investment			
<i>State what type of investment is being made and how it will benefit the academy trust</i>			
Details of where the investment is held			
<i>Insert name and address of bank or building society</i>			
Signatory name print		Signatory name print	
Signature		Signature	
Date		Date	