



Investment Policy

Version 2.0

<p>Important: This document can only be considered valid when viewed on the Trust's website. If this document has been printed or saved to another location, you must check that the version number on your copy matches that of the document online.</p>	
Name and Title of Author:	Jennifer Jewitt, Director of Finance
Name of Responsible Committee/Individual:	The Education Alliance Board of Directors
Implementation Date:	08 March 2018
Review Date:	Spring 2021
Target Audience:	Students, Parents, Staff

Investment Policy

Contents

SECTION	PAGE
1. Principles	3
2. Purpose	3
3. Guidelines	3
4. Implementation	3
5. Terms	4

1. Principles

The Trust 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 Trust aims to invest surplus cash funds to optimise returns, but ensuring the investment instruments are such that there is no risk to the loss of these cash funds.

2. Purpose

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

3. Guidelines

The Trust is able to invest any excess funds (over and above the required day to day funds) in the following types of investment:

- Cash Management accounts
- Term deposit accounts or instant access deposit account
- Accepted or endorsed bills of exchange
- Negotiable, convertible or transferrable certificates of deposit.

Funds can only be invested over a period where the funds are not required for day to day activities and with reference to the individual Academy's cash flow.

The investment of school funds in shares or other financial products is not allowed due to the higher risk attached to these investments.

The Board of Trustees and Local Governing Bodies will ensure that Trust and Academy funds are only invested with financial institutions, specifically Banks and Credit Unions, which are regulated by the FSA.

Any investments made must only be done so after a full review of available investments in order to maximise the return from funds in excess of those the Academy holds in the main bank account for day to day activities.

4. Implementation

In the current financial climate, with interest rates at an all-time low, only funds not required for day-to-day financing over £500,000 should be invested. Funds can be invested for periods as authorised below;

Period of time funds held on deposit	Authorisation required
Up to eight weeks	Finance Director
Over eight weeks up to 12 months	CEO and Finance Director
Over twelve months	Chair of Board of Trustees, CEO and Finance Director

5. Terms

- The Board of Trustees shall formally minute, and review biennially, this investment policy.
- The Board of Trustees shall monitor investments at least three times per year for compliance with this policy.
- All investment accounts will be recorded on the Finance System and be in the name of the Trust.
- Academy's must not deposit money directly to, or make payments directly from, an investment account. All receipts and payments must go through the Academy's main bank account with investment funds transferred to/from the investment account. Exceptions to this are; interest earned and paid directly into an investment account.
- Investments can only be made with the authorisation of the Finance Director.
- On maturity of an investment, the Finance Director shall review the cash requirements of each Academy and decide whether the funds are to be reinvested or utilised.
- The Trust shall retain the following information in regards to investment of funds; Board of Director minutes containing approval of the investment policy, approval of investments and details of changes to investment account particulars, Investment Register and Bank Statements or Certificates.