



Trust - Treasury Management & Investment Policy

Accepted by: Board of Directors December 2018

Approving Body: Board of Directors

Committee: Finance & Resources

Review Cycle: 2 years

Last reviewed: On approval by Board of Directors

Date for next review: December 2024

1. Introduction

1.1 Treasury Management is defined as: -

- the management of the Trust's cash flows, banking and investment transactions,
- the management of the risks associated with these activities
- the pursuit of optimal returns consistent with those risks

1.2 The objectives of this policy are to ensure that the academy trust: -

- maintains sufficient cash balances in its current account to meet its day-to-day commitments;
- invests surplus cash to earn an acceptable rate of return without undue risk;
- Complies with the Academies Trust Handbook and ensures that security of funds takes precedence over revenue maximisation;
- Considers spreading risk between differing institutions to reduce risk.

2. Responsibility

2.1 The Chief Executive and Board of Directors have overall responsibility for the security and management of funds. The day-to-day management of the treasury function is controlled by the Chief Finance Officer. The Chief Finance Officer will liaise with the Chief Executive and Board of Directors in relation to investment decisions.

3. Cash Flow Forecasts

3.1 The Chief Financial Officer will prepare and present regular 12 months rolling cash flows to the Board of Directors to identify expected cash balances throughout the year for investment opportunities and to provide early warning of low cash balances.

4. Borrowing

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

5. Deposits

- 5.1 The Trust will operate an interest bearing current account with a bank approved by the Board of Directors currently Lloyds Bank and maintain sufficient balances to ensure there are adequate liquid funds to cover all immediate and forthcoming financial commitments, including maintaining a sufficient contingency for unexpected payments.
- 5.2 Monies surplus to the working requirements shall be invested in low-risk deposit accounts or in term deposits in regulated institutions.
- 5.3 The Trust will not take out any long-term deposits until reliable cash flow pattern has been established, monies will only be paid into term deposits not exceeding six months.
- 5.4 The Trust will only deposit funds with bodies protected by the Financial Services Compensation Scheme.

6. Limits and Authority

- 6.1 The Board of Directors reserves the powers to:
- Give prior approval to the opening of new bank current accounts;
 - Give prior approval to any bank deposit with a maturity date exceeding six months;
 - Appoint a financial expert to advise on investments.
- 6.2 The Governing Body delegates authority to the Chief Executive Officer to place deposits in the Trust's name, at approved institutions, subject to the agreed limits within this policy. No deposits will be placed without prior agreement with the Principal/Head Teacher/Head of School or other signatory subject to the relevant limits.
- 6.3 Authorised bank signatories of the Trust are set out in the Trust's Financial Regulations Manual.

7. Register of Deposits

- 7.1 The Chief Financial Officer will maintain a register of all deposits/investments held which will record:
- Institution with which deposit placed
 - Date deposit placed
 - Amount deposited
 - Date of maturity
 - Amount returned
 - Rate of interest
 - Interest earned

8. Monitoring, evaluation and review

- 8.1 The Chief Financial Officer will present the Register of Deposits to the Board of Directors on an annual basis.
- 8.2 Periodically (at least annually) the Chief Financial Officer will review interest rates and compare these with investment opportunities through other institutions.