



# INVESTMENT POLICY

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<b>Policy owner</b>	Michelle Wilkins, Director of Finance
<b>Policy model</b>	Compliance: all RSAT schools to use this policy
<b>Review Date</b>	Spring 2023
<b>Regulatory Requirements Met</b>	Section 2.25 of "Academy Trust Handbook 2021"

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## 1.0 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.
- Trustees fulfil their duties and responsibilities as charitable trustees and company directors.

## 2.0 Legislation and Guidance

The Academies Financial Handbook states that Academy Trusts are required to have an investment policy to:

- Manage, control and track their financial exposure
- Ensure value for money

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.

## 3.0 Roles and Responsibilities

### 3.1 Trustees

Trustees will ensure that investment risk is properly managed. When considering whether to make an investment, trustees will:

- Act within their powers to invest, as set out in our Articles of Association
- Exercise caution in all investments, reducing risk and ensuring that the trust acts with the utmost integrity.
- Take investment advice from a professional adviser, as appropriate.
- Ensure that exposure to investment products is tightly controlled so that security of funds takes precedence over revenue maximization.
- Ensure that all investment decisions are in the best interests of the trust and command broad public support.

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 Finance Committee

Trustees delegate responsibility for the trust's investments to the finance committee.

The committee is responsible for:

- Controlling and tracking financial exposure.
- Reviewing the trust's investments.
- Reporting to trustees on investments.

#### **4.0 Investment Principles**

The Trust only invests funds in low risk and easily accessible accounts.

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 and with good credit ratings.

#### **5.0 Procedures**

The following people are authorised signatories:

Chair of Finance Committee  
Director of Finance

Before any funds are invested, the 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 Director of Finance will review interest rates and compare them with other investment opportunities annually.

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

Investments will normally be for a fixed term that does not exceed one year, unless there is a clear rationale for longer-term investment that would benefit the Trust.

A maximum of £85,000 will be placed with one financial institution. This is because the first £85,000 of an investment is protected by the Financial Services Compensation Scheme.

#### **6.0 Monitoring Arrangements**

The Director of Finance monitors the implementation of this policy.

This policy will be reviewed and approved by the academy trustees annually.

## Appendix 1: Investment Authorisation Form

<b>DATE INVESTMENT MADE</b>		<b>DURATION OF INVESTMENT</b>	
<b>AMOUNT</b>			
<b>INTEREST RATE</b>		<b>EXPECTED RETURN</b>	
<b>DESCRIPTION OF INVESTMENT</b>			
<b>DETAILS OF WHERE THE INVESTMENT IS HELD</b>			
<b>SIGNATORY NAME PRINT</b>		<b>SIGNATORY NAME PRINT</b>	
<b>SIGNATURE</b>		<b>SIGNATURE</b>	
<b>DATE</b>		<b>DATE</b>	

### Policy History

<b>Policy Date</b>	<b>Summary of change</b>	<b>Contact</b>	<b>Version/ Implementation Date</b>	<b>Review Date</b>
January 2022	Updated template. Addition of "Regulatory Requirements Met" on cover page	Finance	February 2022	Spring 2023
February 2021	New policy implemented	Finance	V1-February 2021	February 2022