

# SAINT ROBERT LAWRENCE CATHOLIC ACADEMY TRUST

## INVESTMENT POLICY

**Date of Last Review:** December 2016

**Date for Next Review:** December 2017

### AIMS

The aim of this policy is to ensure that funds which any academy within the Trust does not immediately need to cover anticipated expenditure are invested in such a way as to maximise the academies' income but without risk.

Our aim is to spend the public monies with which we are entrusted for the direct education benefit of students as soon as is prudent. We do not consider the investment of surplus funds as a primary activity, rather it is the result of good stewardship as and when circumstances allow.

### IMPLEMENTATION

Each academy will construct such budgets and cash flow forecasts as are required by legislation to ensure the viability and sustainability of the activities of each academy.

From time to time, operational and strategic decisions related to the education of students will result in substantial cash balances at the bank over a sustained period.

These periods are identified by the Finance Director and the respective Business Managers, as part of their normal forecasting activity and, when identified, may result any of the academies making an investment in accordance with any guidance provided in the Academies' Financial Handbook.

Prior to investing funds the Headteacher of the academy must satisfy her/himself that the cash flow predictions provided by the Finance Director or Business Managers, are accurate and that the amount/time period of the investment will not compromise the viability and sustainability of the activities of the academy.

In making decisions regarding where and how any surplus funds should be invested, due regard will be given to the "Risk that the return on investments is not being maximised" and "Risk that trustees are not acting in accordance with their Investment Policy (eg investing in high risk investments which are not in the best interests of the Academy)".

The principles to be adopted are as follows:

- Where practicable the reserve is invested in line with limits set under the Financial Compensation Scheme (currently tranches up to £75,000);
- Consideration should be given to investing each tranche in a different authorised financial institution (*see note on Banks*);
- Investments in institutions other than The Lloyds Bank must be at the recommendation of the Finance Director and approved by the Academy Trust.

- Re-investment is automatically undertaken for the principal and interest unless funds are required for anticipated expenditure.

All investments must be authorised by the Headteacher and Finance Director or Business Manager.

**BANKS**

*If a bank or building society authorised by the Financial Services Authority (FSA) is unable to pay back deposits held with it, the Financial Services Compensation Scheme (FSCS) can pay 100% of the first £85,000 (£75,000 from 1 January 2016) of an eligible depositors claim, per authorised institution. The list of authorised institutions and those considered acceptable to use, is provided by the FSA at the following address:*

[http://www.fsa.gov.uk/Pages/consumerinformation/uk\\_groups/index.shtml](http://www.fsa.gov.uk/Pages/consumerinformation/uk_groups/index.shtml)