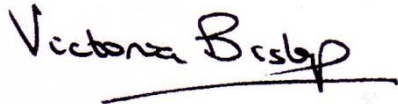


<b>Title</b>	<b>HAT Investment Policy</b>
<b>Reviewed</b>	<b>September 2018</b>
<b>Next Review</b>	<b>September 2020</b>
<b>Associated Policies</b>	<b>Accounting</b>
<b>Originator</b>	<b>Colin Hinds</b>
<b>Approved</b>	

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

## 2. 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. Roles and responsibilities

### 3.1 Academy Directors

Academy Directors 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 maximisation
- Ensure that all investment decisions are in the best interests of the trust and command broad public support

Directors 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

Academy Directors 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

### **3.3 The Director of Finance and Operations (DFO)**

The Director of Finance and Operations is responsible for producing cash flow forecasts and for making decisions on investments. The DFO also provides information to the finance committee and academy directors, as appropriate.

## **4. Investment Principles**

We only invest funds in low risk and easily-accessible accounts. Funds will be placed in bank accounts with a withdrawal notice of no more than 12 weeks.

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. Procedures**

The following people are authorised to action investments within the Trust's deposit account. Each deposit will be processed by the Trust's Finance Manager and the supporting paperwork authorised by the CEO and Director of Finance and Operations.

Before any other form of investments are made, the 2 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 and Operations will review interest rates and compare them with other investment opportunities annually.

Cash flow and current account balances will be monitored regularly by the Director of Finance and Operations 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.

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.

Consideration will be given to the maximum of £85,000 which is protected by the Financial Services Compensation Scheme.

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 Director of Finance and Operations monitors the implementation of this policy and evaluates its effectiveness.

## Appendix 1: Investment Authorisation Form

Date investment made		Duration of investment	
Amount			
Interest rate		Expected return	
Description of investment			
Details of where the investment is held			
Signatory name print		Signatory name print	
Signature		Signature	
Date		Date	