



Chiltern Way Academy Trust

Turning Futures Around

Investment Policy

Responsibility for this policy (job title): Business Director

Responsibility for its review: FPGP committee

Approved: 16/03/2022

Next Review Date: Spring 2025

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PRINCIPLES

The academy 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 academy 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.

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. The Academy does not consider the investment of surplus funds as a primary activity, rather it is the result of good stewardship as and when circumstances allow.

PURPOSES

- 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.

GUIDELINES

Regular cash flows are to be prepared and monitored to ensure there are adequate liquid funds to meet all payroll related commitments and outstanding supply creditors that are due for payment.

Where the cash flow identifies a base level of cash funds that will be surplus to requirements these may be invested by the CFO in an interest bearing account and taking into account the following:

- Consideration of a UK regulated bank.
- Place with financial institutions that are considered to be “safe” having good credit ratings and in countries known to be stable.
- Consideration should be given to spreading the risk of any bank defaulting by spreading deposits across more than one financial institution.
- Maximise income level.
- Where the surplus is deemed to be significant and long-term, funds may be invested in Treasury deposits, with maturity dates which do not result in the cash funds being unavailable for longer than 12 weeks upon agreement of the Governing Body.
- The length of investment must not compromise academy cash flow (consideration should be taken on investing cash for one year at 4 different institutions with a 3 month different start date, thereby ensuring that cash is available within a 3 month window at any given time).
- All investments must be approved in advance by the Principal and Chair of FP&GPC and reported at the next FP&GPC meeting.