



INVESTMENT POLICY

**This policy applies to all the academies in
Lionheart Academies Trust**

Adopted by Lionheart Academies Trust Board: 2014

Signed: Chair of Board:

Date: 2014

Aims

The aim of this policy is to ensure that funds which the college does not immediately need to cover anticipated expenditure are invested in such a way as to maximize the college's income but without risk, or with a known agreed and calculated 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. The college does not consider the investment of surplus funds a primary activity, rather it is the result of good stewardship as and when circumstances allow.

Implementation

The college will construct such budgets and cashflow forecasts as are required by legislation to ensure the viability and sustainability of the activities of the college.

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

These periods are identified by the Finance Officer as part of their normal forecasting activity and, when identified, will result in the college making an investment in accordance with any guidance provided in the Academies Financial Handbook.

Prior to investing funds the Principal must satisfy himself that the cashflow predictions provided by the Finance Officer are accurate and that the amount/time period of the investment will not compromise the viability and sustainability of the activities of the school.

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 maximized" and "Risk that trustees are not acting in accordance with their Investment Policy (eg, investing in high risk investment which are not in the best interests of the Academy)".

The principles which the Governing Body will adopt are as follows:

- Where practicable the reserve is invested in tranches of up to £85,000.
- Consideration should be given to investing each £85,000 tranche in a different authorized financial institution (see Bank section).
- Investments in institutions other than those overleaf must have agreement from the Chair of Governors and the Chair of Finance.
- £40,000 to be invested for 1 month.
- £40,000 to be invested for 3 months.

- £40,000 to be invested for 6 months.
- £80,000 be invested for 12 months.
- Any further reserve balance to be invested for 1 month until a balance of £40,000 is reached when it is then invested for 12 months.
- Re-investment is automatically undertaken for the principal and interest unless funds are required for anticipated expenditure.

All investments must be authorized by the Principal and Bursar.

Banks

If a bank or building society authorized 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 of an eligible depositor's claim, **per authorized institution**. The list of authorized 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