



OWLS Academy Trust

Investment Policy

Company Number 8537140

Status	
Recommended	
Statutory	Yes
Review Date	Half Termly
Finance/Audit Committee	Yes

Introduction

Academies are able to make investments and these investments can be a good source of funding, but can also expose schools to risks.

A financial investment is when an investment is made to get the best financial return within the level of risk considered to be acceptable. The Governors have several legal responsibilities when making financial investments. They must:

- Know and act within their school's powers to invest.
- Exercise care and skill when making investment decisions.
- Select investments that are right for the school.
- Review investments periodically.
- Explain their investment policy in their annual report.

Governors must be clear about what they aim to achieve through financial investment. They must consider exactly what they want to do, how they intend to do it and what the timescale will be. They must also consider the school's long and short term financial commitments as well as its expected income.

Risk

A certain degree of risk is associated with all investments so Governors must do all they can to manage risk levels. Before any investment decisions are made, Governors must consider the level of risk they are able to accept. They must be satisfied that the overall level of risk they are taking is appropriate for the school.

Aims

The aim of this policy is to ensure the funds which the Academy trust does not immediately need to cover anticipated expenditure are invested in such a way as to maximise income but without risk.

The aim is to spend the public monies with which we are entrusted for the direct education benefit of students when is appropriate for the school. The Academy Trust does not consider the investment of surplus funds as a primary activity, rather it is the result of good practice 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 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 flow reports are to be prepared and monitored to ensure there are adequate liquid funds to meet all payroll related commitments and outstanding 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 following approval from the Finance Committee. Approval must be signed off and recorded in the committee minutes.

- Interest bearing deposit accounts with Lloyds Bank.
(Currently receive 0.1% on School Current Account.)

Higher Interest Accounts available from Lloyds with fixed periods of 2 weeks, 6 weeks, 3 months, 6 months and 12 months. The longer the period the higher the interest rate. Minimum investments are £10,000 (£50K – 12 Months) but we could open as many accounts as required.

Monitoring and Evaluation

The Business Manager/Bursar will compare alternative investment opportunities every six months to ensure that the school's funds achieve the best interest rates.

The Headteacher and Business Manager/Bursar are responsible for ensuring the policy is adhered to.

Reviewing

The Headteacher and Governors will carry out a review of this policy on a regular basis to ensure that any new or changed legislation is adhered to.

This Policy was reviewed by the Finance committee, adopted by the Full Governing Body and signed by the Chair of Governors and Head teacher.

The next review will take place in Autumn Term 2016 or when new regulations regarding transport or health and safety come into effect.

Policy Reviewed:	Autumn Term policy reviewed annually
Next Review:	Autumn Term policy reviewed annually
Signature of Chair of Governors:	Signature of Head teacher:

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