GREAT OAK MULTI ACADEMY TRUST



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Multi Academy Trust

Investment Policy

Approved by the Board of Directors September 2020

Principles
The trust aims to manage its cash balances to provide for the day-to-day working capital requirements of its operations and manage the risk of a failure in a major financial institution through diversification of deposits and investments. Within the limits of the overriding consideration to allow for flexibility and "zero investment risk" each Academy should aim to maximize the financial return on any funds invested.

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 deposited or invested.

- To protect the capital value of any invested funds against inflation in so far as is possible (subject to the considerations above) by maximizing the return on invested funds.

Guidelines

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

- Where the cash flow forecast identifies a base level of cash funds that is surplus to requirements then these may be invested in interest bearing deposit accounts.

- The time period for a deposit account should normally be around 30 days and no longer than 8 weeks. This is to ensure that the cash is available when required to meet unforeseen expenditure requirements, with typically 30 days payment terms.

- All institutions must be UK institutions covered by the UK guarantee.

- Deposits should be into institutions which are different from the institution with which the primary bank account is held and which are different from each-other such that no deposit accounts exceeds the amount guaranteed by the UK government (£85k in 2014). To be clear, the primary bank account may contain more than the guaranteed limit as this is normal practice and essential to the smooth running of the Academy's cash transactions.

- Approvals to set up new deposit accounts or to make a change to the contract terms shall require the approval of either the Headteacher or deputy Headteacher and the Chair of Directors or vice-Chair of Directors.

- All accounts should be set up so as to allow transfers out to be made into the principal Academy bank account only.

- The following institutions should be considered in the first instance for deposits:
  - RBS
  - Barclays
  - Lloyds
  - HSBC
  - Santander
  - Nationwide
  - Saffron
  - Coventry