



The Chalfonts Community College

Investment Policy

2022-2023

Approved by:	RFL Committee	Date: 22 nd November 2022
Last reviewed on:	November 2022	
Next review due by:	November 2025	

Contents

1. Aims	3
2. Legislation and guidance.....	3
3. Roles and responsibilities	3
4. Investment principles	4
5. Procedures	4
6. Monitoring arrangements.....	5
7. Links with other policies.....	5
Appendix 1: investment authorisation form	6

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 Academy Trust Handbook
- The trust's funds are used in a way that commands broad public support
- Value for money (economy, efficiency and effectiveness) is achieved
- Governors fulfil their duties and responsibilities as charitable trustees and company directors

2. Legislation and guidance

The Academy Trust Handbook states that academy trusts are required to have an investment policy to:

- Manage and track their financial exposure
- Ensure value for money

This policy is based on the [Academy Trust 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 Governors

Academy Governors will ensure that investment risk is properly managed. When considering whether to make an investment, Governors 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

3.2 Finance committee

Governors delegate responsibility for the trust's investments to the resource for learning 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

The director of finance and operations (DFO) is responsible for producing cash flow forecasts and for making decisions on investments. The DFO also provides information to the resource for learning committee and, governors as appropriate.

4. Investment principles

It is the Governors belief that it should be anticipated that the trust will have surplus cash available, both as a result of cashflow planning and also the implementation of a reserves policy that maintains a suitable amount of reserves. Such surplus cash should be invested to ensure that the trust receives an acceptable income stream without putting at risk the funds that belong to the trust.

Trustees believe that risk-free bank deposit accounts are the most appropriate place to invest surplus cashflow. Advice should be taken from the trust's bankers and funds invested as follows:

- Working capital to be invested in a Lloyds bank current account or equivalent. It is recognised that a small amount of interest is payable on this balance but that Lloyds also offer academies free banking which results in this lower interest rate.
- Surplus cash should be invested in a mixture of notice accounts of up to one year with Lloyds bank or a similar reputable UK based banking provider to earn higher interest rates than on the current account .

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 maximisation.

Funds will only be placed with banking institutions that are regulated by the Financial Conduct Authority and with good credit ratings.

Governors do not intend to invest reserves in stocks and shares or other volatile investments as they do not feel these represent an acceptable level of risk to the Academy.

5. Procedures

Before any funds are invested approval is sought from the Chairperson of the RFL committee and further 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 DFO will review interest rates and compare them with other investment opportunities annually.

Cash flow and current account balances will be monitored regularly by the DFO 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.

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 DFO monitors the implementation of this policy.

This policy will be reviewed and approved by the academy trustees every year.

7. Links with other policies

This investment policy links with our policies on:

- Accounting
- Competitive tendering

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	

History

Date	Issue	Status	Comments
November 2022	1	New	