



INVESTMENT POLICY

FREQUENCY OF REVIEW:	Annually
COMMITTEE:	Resources Committee
RATIFICATION DATE:	March 2023
RATIFIED BY:	Resources Committee
DATE OF NEXT REVIEW:	March 2024 unless there is a material change

Signed _____
Chair of Trust Finance & Resources Committee

Date: _____

Signed _____
CEO

Date: _____

Aim

The purpose of the Investments Policy is to set out the processes by which the Board of Trustees of TrustEd CSAT Alliance will meet their duties under the Academy's Articles of Association and Academies Financial Handbook issued by the Education Skills Funding Authority (ESFA) to invest monies surplus to operational requirements in furtherance of the Trust's charitable aims and to ensure that investment risk is properly and prudently managed.

Background

The ESFA acknowledges that 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 of funds is made to get the best financial return within the level of risk considered to be acceptable.

The Charity Commission advises that Trustees have several legal responsibilities when making financial investments.

Definition of duties

The Trust is aware that it has a responsibility to ensure that investment risk is properly managed. As such, it must:

- a) Know and act within their Trust's powers to invest as set out in the Trust Articles of Association
- b) Exercise care and skill when making investment decisions, taking advice where appropriate
- c) Select investments that are right for the Trust
- d) Review investments periodically
- e) Follow the guidance contained in this policy
- f) Review the Trust Investment Policy regularly
- g) Follow certain legal requirements if they are going to use someone to manage investments on their behalf.
- h) Explain their investment policy in their annual report.

The Board of Trustees has full responsibility for any investments made on behalf of the Trust, including those made by any individual school within the Trust. Any individual school looking to make an investment must first seek approval from the Trust Board.

The Trust Director of Finance and Trust Business Manager are responsible for producing reliable cash flow forecasts as a basis for decision making and for providing sufficient management information to the Finance & Resources Committee so it can review and monitor investment performance. All investment decisions must comply with this Policy.

The Academy's Articles of Association permit the Trustees to make investments.

Objectives

The Trust investment objectives are:

- a) To achieve best financial return available whilst ensuring that security of deposits takes precedence over revenue maximisation.
- b) Only invest funds surplus to operational need based on all financial commitments being met without Trust bank accounts becoming overdrawn.
- c) By complying with this policy, all investment decisions should be exercised with care and skill and consequently be in the best interests of the Trust, commanding broad public support.

Investment Strategy

The Trust Finances & Resources Committee 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 Trust's long and short term financial commitments as well as its expected income.

A certain degree of risk is associated with all investments so Trustees must do all they can to manage risk levels. Before any investment decisions are made, Trustees 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 Trust. Investment risk will be managed through asset class selection and diversification to ensure that security of deposits takes precedence over revenue maximisation.

For selection, investments will only be considered with banking institutions which demonstrate good credit quality.

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.

Investments for a fixed term should not normally exceed one year in order to provide flexibility for the following year's plans, unless a clear rationale is provided for exceeding one year to the benefit of the Trust.

Monitoring and Review

The Trust Director of Finance will monitor the cash position and cash flow forecast and report investments held and the performance of investments against objectives to the Finance & Resources Committee at appropriate intervals, depending on the terms of the investments. For example, if investments are held one year then an annual report is appropriate.

The Investment Policy has been adopted by the Trustees of TrustEd CSAT Alliance