

INVESTMENT POLICY

Version: 1.0
Approved: 3 February 2020
Next review: February 2023
Co-ordinator: Andy Fisher

Rationale

Sandwich Technology School aims to manage its cash balances to provide for the day-to-day working capital requirements of its operations, whilst protecting the real, long-term value of any surplus cash balances against inflation. In addition, the academy aims to invest surplus cash funds to optimise returns, whilst ensuring that the investment instruments are such that there is no risk to the loss of these cash funds.

Purpose

- To ensure adequate cash balances are maintained in the current account to cover day-to-day working capital requirements.
 - To ensure that there is no risk of loss in the capital value of any cash funds invested.
 - To protect the capital value of any invested funds against inflation and to optimise returns on invested funds.
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Implementation (Roles and Responsibilities)

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 will be surplus to requirements, these may be invested only in the following:

Interest-bearing, instant-access deposit accounts with any authorised institutions defined by the Financial Conduct Authority (FCA).

<https://www.fca.org.uk/contact>

If a bank or building society authorised by the FCA is unable to pay back deposits held with it, the Financial Services Compensation Scheme (FSCS) can pay one hundred per cent of the first £75,000 of an eligible depositor's claim, per authorised institution.

<https://www.bankofengland.co.uk/prudential-regulation/authorisations/financial-services-compensation-scheme>

Consideration will be given to deposits with maturity dates that do not result in the cash funds being unavailable for longer than six months. If any investments exist, the School Business Manager will periodically review the interest rates being achieved and will compare with other investment opportunities that comply with the parameters of this policy.

Links to other policies/documents

Anti-fraud Policy
Financial Procedures Manual
Governors' Delegation of Functions (Function 23)