



Treasury Management & Investment Policy

Approved by: The Finance, Audit & Risk Committee

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1. Aims

This Policy aims to ensure that:

- The funds of the Greensand Multi Academy Trust (“the Trust”) are used only in accordance with the law, its Articles of Association, its Funding Agreement and the Academy Trust Handbook (also known as the Academies Financial Handbook).
- The Trust’s funds are used in a way that commands broad public support.
- Value for money (economy, efficiency and effectiveness) is achieved.
- Trustees fulfil their duties and responsibilities as charitable Trustees and Company Directors.
- Funds are managed and invested in a way where surplus cash can be used to earn an acceptable rate of return without undue risk.

2. Legislation and guidance

The Academy Trust Handbook states that Academy Trusts are required to have a Treasury management (Investment) policy to:

- Manage, control 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 Agreements and Articles of Association.

3. Roles and responsibilities

3.1 Academy Trustees

The Trustees for the Trust will ensure that investment risk is properly managed. When considering whether to make an investment, Trustees 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.

Trustees will seek prior approval from the Education and Skills Funding Agency for investment transactions that are novel or contentious.

Novel transactions are those of which the Trust has no experience or are outside the range of normal business activity for the Trust.

Contentious transactions are those which might give rise to criticism of the Trust by Parliament, the public, and the media.

3.2 Finance, Audit & Risk Committee

The Trustees delegate responsibility for the Trust's investments to the Trust Board's Finance, Audit & Risk Committee (FARC).

The Committee is responsible for:

- Controlling and tracking financial exposure
- Reviewing the Trust's investments
- Reporting to the Trust Board on investments.

3.3 The Finance & Operations Director

The Finance & Operations Director ("FOD") is responsible for monitoring the bank accounts and advising the Trustees of account balances. The FOD also provides information to the FARC and the Trust Board, as appropriate.

4. Cash Management & Investment principles

Funds will only be placed with banking institutions that are regulated by the Financial Conduct Authority and with acceptable credit ratings and for periods of time up to 12 months. This excludes overall Lloyds balances). Please refer to Appendix 1 regarding Credit Ratings for the main rating agencies. No investments will be made in organisations which are considered to be highly speculative or below. Where there is no Fitch, Moody's or Standard & Poors rating for a financial institution on the cash management system, the FOD and Finance Manager will always research organisations using public information available at the time prior to placing funds.

All investments shall be UK based and be denominated in Sterling.

All schools within the Trust have a main bank account and a school fund bank account operated by Lloyds Commercial Banking. These current accounts attract only nominal interest. The Trust also pools excess funds from across the schools and central bank accounts and deposits in short term notice and fixed deposits.

The accounts are held by the individual schools who have their own online signatories. The Central Team hold an up-to-date list of these.

Direct Debits and Standing Orders must be signed by two out of the three signatories for the Trust. The Chief Executive Officer (CEO) and FOD are able to view all of the bank accounts across the Trust.

Monies surplus to the working requirements shall be invested in low risk, short term, deposit accounts or in term deposits in regulated institutions. Suitable institutions will be identified through a cash management system approved by the FARC. The FOD will identify and place funds to ensure adequate levels of return and spread of financial risk. The Finance Manager will be

responsible for input of details and administration of the account. Two out of the three Central Team signatories will authorise all deposits. (CEO, FOD and Headteacher of Reigate School).

In most cases, no amount of individual deposit in an institution through the cash management system should exceed £85K. However, where an institution has a credit rating in the upper median grade and above, this can be extended to £250K. If an institution has a similar grade to Lloyds Bank, there is a limit of £500K. This is based on current ratings of A+, A or A- across rating bodies at the time of policy review. The total amount of funds invested via the cash management system should not exceed £1.25 million without prior approval from either the Chair of the FARC or the Chair of Trustees.

The CEO must sign to acknowledge when a deposit has been made on the cash management platform.

No more than £2m shall be held with any one counterparty (excluding balances in the Lloyds current and deposit accounts).

All new investment/non Lloyds accounts or cash management systems must be approved by the FARC prior to opening.

5. Procedures

The list of banking signatories and approvers is held by the Trust's Central Team.

New accounts will require two signatories on the application forms.

Cash flow and current account balances will be monitored regularly by the FOD to ensure immediate financial commitments can be met and that the current account has adequate balances to meet forthcoming commitments.

The central finance team will monitor cash balances of the schools and will regularly sweep funds into interest bearing accounts. Any movements of this nature will be advised to Headteachers and School Business Managers. A sweep facility is in place for the deposit account to any of the school accounts to prevent overdrafts occurring.

There is a centrally pooled reserve of £675K which will increase as the Trust grows. Joining schools contribute a single contribution of 4.05% of its GAG income to this fund.

6. Monitoring arrangements

The CEO monitors the implementation of this Policy.

This Policy will be reviewed and approved by the Finance, Audit & Risk Committee every three years, or when deemed appropriate due to changes in regulations or requirements relating to investments.

7. Register of deposits

The FOD will maintain a register of all deposits/investments held which will record:

- Institution with which deposit placed
- Date deposit placed
- Amount deposited
- Date of maturity

- Amount returned
- Rate of interest
- Interest earned.

8. Links with other policies

This Investment Policy is linked to the following policies of the Trust:

- Accounting Policies
- Competitive Tendering Policy.

APPENDIX 1

Long-term Credit Ratings from the main rating agencies

Fitch	Moody's	S&P	Rating description
Long-term	Long-term	Long-term	
AAA	Aaa	AAA	Prime
AA+	Aa1	AA+	High grade
AA	Aa2	AA	
AA-	Aa3	AA-	
A+	A1	A+	Upper medium grade
A	A2	A	
A-	A3	A-	
BBB+	Baa1	BBB+	Lower medium grade
BBB	Baa2	BBB	
BBB-	Baa3	BBB-	
BB+	Ba1	BB+	Non-investment grade speculative
BB	Ba2	BB	
BB-	Ba3	BB-	
B+	B1	B+	Highly speculative
B	B2	B	
B-	B3	B-	
CCC+	Caa1	CCC+	Extremely speculative
CCC-	Caa3	CCC-	
CC	Ca	CC	Default imminent
C		C	
D	D	D	In Default