

EQUITAS ACADEMIES TRUST



EQUITAS
— ACADEMIES TRUST —

INVESTMENT POLICY

Review Date: March 2024

To be Reviewed: March 2026

Agreed: F & GP Committee

Policy Lead: Chief Finance Officer

INVESTMENT POLICY

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 Academies 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
- Trustees fulfil their duties and responsibilities as charitable trustees and company directors

2. LEGISLATION AND GUIDANCE

The [Academies Trust Handbook](#) states that academy trusts are required to have an investment policy to:

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

This policy is based on the Academies Financial Handbook and guidance from [The Charity Commission's](#), Investing Charity Money – guidance for trustees (CC14). This policy also complies with our funding agreement and articles of association.

3. ROLES AND RESPONSIBILITIES

Academy trustees

Academy trustees 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 academy 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.

Finance & General Purpose committee

Academy trustees delegate responsibility for the trust's investments to the finance committee.

The committee is responsible for:

- Controlling and tracking financial exposure
- Reviewing the trust's investments
- Reporting to trustees on investments

Chief Finance Officer (CFO)

The CFO is responsible for producing cash flow forecasts and for making recommendations on investments. CFO also provides information to the Finance & General Purpose Committee and Trustees, as appropriate.

4. INVESTMENT PRINCIPLES

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 6 months. The Trust's bankers are Lloyds Bank and deposits will normally be made with that bank. At the time of review of this policy, Lloyds Bank remains one of the most secure institutions in the UK banking industry, but the CFO has a responsibility to keep this matter under constant review.

Where possible, risk is normally managed through diversification of investments, ensuring that the security of funds takes precedence over revenue maximization. The CFO will seek assurance regarding risk factors associated with UK banks, as FSCS (Financial Services Compensation Scheme) limits will normally be exceeded (which are £85,000). Reference will be made to such ratings agencies as required, which might include Standard & Poor, Moody and Fitch. Trustees acknowledge that deposits in excess of the FSCS limits are at risk.

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

5. PROCEDURES

The following people are authorised signatories:

Alex Lofthouse – Chief Executive Officer

Jill Sweeney – Headteacher (AMA)

Nanette Wragg – Headteacher (CCA)

Before any funds are invested, the 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 CFO will review interest rates and compare them with other investment opportunities annually.

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

CFO monitors the implementation of this policy.

7. REVIEW

This policy will be reviewed and approved by the academy trustees every 2 years.

8. LINKS WITH OTHER POLICIES

This investment policy links with our policies on

- Accounting
- Competitive tendering

Date of next review: March 2024

Approved by the F&GP Committee at their meeting on 11th March 2024

Appendix 1: investment authorisation form

Date investment made		Duration of investment	
Amount			
Interest rate		Expected return	
Description of investment			
<i>State what type of investment is being made and how it will benefit the academy trust</i>			
Details of where the investment is held			
<i>Insert name and address of bank or building society</i>			
Signatory name print		Signatory name print	
Signature		Signature	
Date		Date	