

# EQUITAS ACADEMIES TRUST



**EQUITAS**  
— ACADEMIES TRUST —

## **INVESTMENT POLICY**

**Review Date:** March 2021

**To be Reviewed:** March 2024

**Agreed:** F & GP Committee

**Policy Lead:** Director of Finance

## 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 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

### 2. LEGISLATION AND GUIDANCE

The [Academies Financial 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](#). 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

### The Director of Finance/CFO

The Director of Finance/CFO is responsible for producing cash flow forecasts and for making recommendations on investments. The Director of Finance/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 Director of Finance/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 Director of Finance/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  
Amie Summan-Ram – Director of Finance/CFO  
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 Director of Finance/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 Director of Finance/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**

The Director of Finance/CFO monitors the implementation of this policy.

## **7. REVIEW**

This policy will be reviewed and approved by the academy trustees every 3 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

**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	