

**FIVE RIVERS Multi Academy Trust**



**Five Rivers Multi Academy Trust  
Investment Policy**

Policy start date: January 2017  
Policy review date: January 2018  
Next review: January 2019

## **The Five Rivers Multi Academy Trust Investment Policy**

### **1) Introduction**

- 1.1) The Trust 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 Trust aims to invest surplus cash funds to optimise returns, but ensuring the investment instruments are such that there is no risk to the loss of these cash funds.
- 1.2) The Trust does not consider the investment of surplus funds as a primary activity, rather it is the result of good stewardship as and when circumstances allow.
- 1.3) This policy sets out the principles and typical circumstances in which the Trust may choose to invest surplus cash funds.

### **2) Implementation**

- 2.1) The Trust will construct such budgets and cash flow forecasts as are required by legislation to ensure the viability and sustainability of the activities of the Academy and to ensure there are adequate liquid funds to meet all payroll related commitments and outstanding supply creditors that are due for payment.
- 2.2) From time to time, operational and strategic decisions will result in substantial cash balances at the bank over a sustained period. Where the cash flow identifies a base level of cash funds that will be surplus to requirements these may be invested only in the following:
  - Interest bearing deposit accounts with any of the following banks:  
Lloyds Bank  
Barclays  
RBS  
HSBC
  - Treasury deposits, with maturity dates which do not result in the cash funds being unavailable for longer than 8 weeks
- 2.3) Prior to investing funds, the Principal/Head of School must be satisfied that the cash flow predictions provided by the Director of Business Strategy / CEO and Finance Manager are accurate and that the amount/time period of the investment will not compromise the viability and sustainability of the activities of the School.
- 2.4) In making decisions regarding where and how any surplus funds should be invested, due regard will be given to the "Risk that the return on investments

is not being maximised” and “Risk that trustees are not acting in accordance with their Investment Policy (e.g. investing in high risk investments which are not in the best interests of the Academy Trust)”

- 2.5) The principles which the Board of Directors will adopt are as follows:
- Where practicable the reserve is invested in tranches of up to £75,000
  - Consideration should be given to investing each £75,000 tranche in a different
  - authorised financial institution (see Banks section)
  - All investments must be recorded in sufficient detail to identify the investment and to enable the current market value to be calculated. The information required will normally be the date of purchase, the cost and a description of the investment
  - Trustees will ensure that exposure to investment products is tightly controlled, in order to ensure that security of funds takes precedence over revenue maximisation.
  - The Multi Academy Trust will not place cash assets in stocks, shares, bonds or other such investment schemes.
- 2.6) If a bank or building society authorised by the Financial Services Authority (FSA) is unable to pay back deposits held with it, the Financial Services Compensation Scheme (FSCS) can pay 100% of the first £75,000 of an eligible depositors claim, per authorised institution. The list of authorised institutions and those considered acceptable to use, is provided by the FSA at the following address:
- [http://www.fsa.gov.uk/Pages/consumerinformation/uk\\_groups/index.shtml](http://www.fsa.gov.uk/Pages/consumerinformation/uk_groups/index.shtml)
- 2.7) Periodically (at least annually) the trust will review interest, charging rates and level of funds invested with approved institutions and more frequently subject to market conditions in order to ensure that the assets of the Multi Academy Trust remain protected and not subject to an unacceptable level of institutional risk.
- 2.8) Deposits will be made only with institutions approved by the Multi Academy Trust as follows:
- National Westminster Bank Plc
  - HSBC Plc
  - Lloyds Bank Plc
  - Barclays Bank Plc
  - Bank of Scotland Plc
  - Virgin Charity Accounts
  - Nationwide

Review date: January 2019