



INVESTMENTS & RESERVES POLICY

Reference this policy is aligned to with LCC	n/a
Agreed with Support Staff Trade Unions	n/a
Adopted by the Governing Body	Autumn Term
Next Review Due	Autumn Term
Agreed with Teacher Trade Unions and Professional Associations	n/a

AIMs

The aim of this policy is to ensure that funds which the Academy does not immediately need to cover anticipated expenditure are invested in such a way as to maximise income but without risk.

Our aim is to spend the public monies with which we are entrusted for the direct education benefit of students as soon as is prudent. The Academy does not consider the investment of surplus funds as a primary activity, rather it is the result of good practice as and when circumstances allow.

Purpose

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

Guidelines

- Regular cash flow reports are to be prepared and monitored to ensure there are adequate liquid funds to meet all payroll related commitments and outstanding creditors that are due for payment.
- Where the cash flow identifies a base level of cash funds that will be surplus to requirements these may be invested following approval from the Operations Committee. Approval must be signed off and recorded in the committee minutes.
- In making decisions regarding where and how any surplus funds should be invested, due regard will be given to risk.
- Currently, surplus funds are invested with the existing banker Lloyds TSB in an instant access deposit account. One account is set up for each Academy. Interest is received on a monthly basis.
- The Operations Committee will receive a report at each meeting as to the performance of any investments in place. The aim is to reach an appropriate level of reserve to allow the management and the Operations Committee to explore alternative investment possibilities with criteria being:
 - Investment with a different counterparty (in order to reduce counterparty risk);
 - Consideration of whether there should be a maximum level of investment with a single approved counterparty; and
 - A longer term investment with a higher return (but not high risk investments which are not in the best interests of WPA).

The Trustees intend to build up a prudent level of reserves over a period of time and will review the investments & reserves policy annually.

Review

This Investment and Reserves Policy will be reviewed on an annual basis.