Investment Policy

V 2.2

Last Updated: 3rd February 2022

Version	Date	Actions and Notes	Approved
1.0	01 Feb 2017	Policy Drafted by Matt Jeavons	
2.0	05 Feb 2019	Reviewed and updated by Anthony Smith.	14 Feb 2019
2.1	07 Feb 2020	Reviewed and updated by Anthony Smith.	11 Feb 2020
2.2	03 Feb 2022	Reviewed and updated by Paul Bowman: • References to “Finance & Resources” changed to “Finance & Audit” 5.3. • Change “School” to “Trust” 1.1, 1.2, 1.3. • “Finance Director” changed to “Chief Financial Officer” 6.1, 6.2	15 Feb 2022

1. General Background

1.1. The ESFA stipulates Academies are able to make investments and these investments can be a good source of funding, but can also expose Trusts to risks.

1.2. A financial investment is when an investment is made to get the best financial return within the level of risk considered to be acceptable. The Charity Commission advises that Trustees have several legal responsibilities when making financial investments. They must:

- Know and act within their Trust's powers to invest.
- Exercise care and skill when making investment decisions.
- Select investments that are right for the Trust.

1.3. This means taking account of:

- How suitable any investment is for the Trust.
- The need to diversify investments.
- Take advice from someone experienced in investment matters unless they have good reason for not doing so.
- Follow certain legal requirements if they are going to use someone to manage investments on their behalf.
- Review investments periodically.
- Explain their Investment Policy in their annual report.

1.4. Directors must be clear about what they aim to achieve through financial investment.

1.5. They must consider exactly what they want to do, how they intend to do it and what the timescale will be. They must also consider the Academy's long and short term financial commitments as well as its expected income.

2. Risk

2.1. A certain degree of risk is associated with all investments.

2.2. Directors must do all they can to manage risk levels. Before any investment decisions are made, Directors must consider the level of risk they are able to accept. They must be satisfied that the overall level of risk they are taking is appropriate for every Academy in the Multi Academy Trust. Losses may result in a low return on an investment, or the complete loss of all money invested. If this occurs, Directors should review their approach to risk and take the opportunity to learn from their experiences.

3. Introduction

3.1. Codsall Multi Academy Trust is careful with the public money entrusted to them. They will carefully invest any money that is not required to cover anticipated expenditure and take steps to manage the risk associated with financial investments.

4. Aims and Objectives

4.1. The purpose of this policy is to ensure that any surplus funds are invested well so that they achieve the best financial returns with the minimum risk. Good financial returns mean that more money can be on spent educating pupils.

5. Procedures

5.1. Adequate cash balances must be maintained to ensure that there are always sufficient funds in the Academy's current account to cover financial commitments such as payroll and day-to-day expenses. The Academy does not have an overdraft facility on any bank accounts and accounts must not be allowed to go overdrawn.

5.2. If there is a surplus of funds after all financial commitments have been considered, this surplus can be considered for investment.

5.3. Funds should be invested in tranches of up to £25,000, giving due and full consideration to the financial landscape and horizon that will affect all Trust Schools and after agreement from the Finance and Audit Committee.

5.4. Reserve funds will be held with Lloyds Bank or in other instruments and investments as agreed from time to time by the Board of Directors. It may be beneficial to invest each tranche with a different financial institution.

5.5. Any investments must be recorded in sufficient detail to identify the investment and to enable the current market value to be calculated. The information to be recorded will normally be the date of purchase, the cost and a description of the investment

5.6. Funds, and any interest they earn, will be automatically reinvested, unless they are required for immediate or anticipated expenditure.

6. Implementation, Monitoring and Review:

6.1. The Chief Financial Officer or delegated person will compare alternative investment opportunities every six months to ensure that the company's funds achieve the best interest rates.

6.2. The Accounting Officer and Chief Financial Officer are responsible for ensuring that this policy is adhered to.

6.3. This policy will be actively reviewed and changes applied to reflect the nature of CMAT's operations, beneficiaries, and operating environment.