
INVESTMENT

PREFACE

Chiltern Hills Academy is a learning environment at the heart of its community. We encourage every person in our community to:

Create, Aspire and Excel to 'Live life in all its fullness' (John 10:10)

We achieve this through our dedication to the seven Christian values of love, hope, self-discipline, compassion, forgiveness, respect and honesty.

We are a community in which staff, students and parents/carers work collaboratively to develop a learning environment and organisation which is innovative, creative and exciting. All members of the Academy are motivated and inspired by its vision and ethos to give their best and to play a full part in its life. Our dual specialisms of Design and Performing Arts will equip our students with world class skills for the world of work.

Introduction

The Academy recognises the need to obtain best value for all of the assets that it holds, including any cash balances that it may periodically hold.

The objectives of the Investment Policy are:

- To provide a means by which the Academy can meet its commitments
- To ensure that sufficient sums are available at short or no notice to meet foreseeable requirements
- To earn an acceptable rate of return on surplus funds without undue risk
- To spread risk between differing types of investment institutions
- To comply with the Academy Articles of Association – relevant section listed in Appendix A

Responsibility

The Principal and the Governing Body have overall responsibility for the security and management of funds. The day to day management of the treasury function is controlled by the Finance Manager.

The Finance Manager will liaise with the Principal and the Finance Committee in relation to strategy, status and market conditions.

The Chair of the Finance Committee will liaise with the Governing Body for approval of any changes to strategy and to provide an update on investments.

Borrowing of Funds

The Academy is not permitted to borrow without prior permission of the Secretary of State. Any overdraft/borrowing will only be undertaken after approval of both the full Governing Body and Secretary of State.

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Investment of Funds

A return on working capital should be optimised whilst allowing effective access of the funds. In balancing risk against return the Academy policy is clearly geared towards avoiding risk than to maximise return.

The Academy has a guiding principle for ethical investments.

The Academy will operate a current account linked to an interest bearing savings account with a bank or building society approved by the Governing Body and maintain a balance in that account that is sufficient to cover immediate and forthcoming financial commitments and sufficient contingency for unexpected payments.

A balance of £25,000 will be maintained in the current account with any funds over this amount being transferred automatically to the savings account on a daily basis.

Monies surplus to the working requirements shall be invested in an account in the name of the Academy with the approved institutions authorised by the Governing Body. This may be a higher interest bearing account operated by the same bank that the Academy operates its current account with, or an alternative approved institution.

The Academy will not take out any long term investments until a reliable cash flow pattern has been established and agreed by the Finance Committee.

Credit Risk

Credit risk will be minimised by ensuring that funds are spread across a range of institutions as appropriate, usually a minimum of three. The limits of funds invested with approved institutions will be approved at least annually by the Governing Body and more frequently subject to market conditions. Generally, investments with any single institution will not exceed 50% of the total funds available.

Approved Institutions for Investment

Security of investment is paramount. Deposits will be made only with institutions approved by the Governing Body.

The Academy Finance Manager will take external treasury management professional advice as needed to ensure timely amendments are brought to the Governing Body should the assessed strength of these institutions be downgraded.

Limits and Authority

The Governing Body, on the recommendation of the Finance Committee, is the sole authority to:

- Give approval to the opening of new bank or building society accounts
- Amend the list of approved institutions
- Give approval to any bank or building society deposits
- Give approval to any investment product other than with a bank or building society
- The Governing Body delegates authority to the Finance Manager to place deposits in the Academy's name, at approved institutions, subject to agreed limits.

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No deposits will be placed by the Finance Manager without prior authorisation by the Principal or other bank signatory subject to their relevant limits.

Authorised cheque/bank transfer signatories of the Academy are set out in the Academy Scheme of Financial Delegation. Any changes in the authorised signatories must be approved by the Governing Body.

Register of Deposits / Investments

The Finance Manager will maintain a register of all deposits/investments held which will record:

- Institutions with which the deposit was made
- Date deposit was placed
- Authorisation for the transaction
- Amount deposited
- Date of maturity
- Amount returned
- Interest earned
- Rate of interest obtained

Recording and Monitoring

Bank balances and all deposits/investments will be reconciled and balanced to the Academy's accounting records on a monthly basis.

Cost of funds and requirement for funds will be monitored on an ongoing basis.

Monitoring, evaluation and review:

- The Academy will review this policy annually and assess its implementation and effectiveness
- The Finance Manager will report on the effectiveness of the policy to the Finance Committee

MONITORING, EVALUATION AND REVIEW

This policy will be reviewed when there are changes in the law or annually if this is a requirement. This policy will be promoted and implemented throughout the Academy.

APPENDIX A

Extract from the Articles of Association, "Objects 5".

- To deposit or invest any funds of the Academy Trust not immediately required for the furtherance of its Object (but to invest only after obtaining such advice from a financial expert as the Governors consider necessary and having regard to the suitability of investments and the need for diversification)
- To delegate the management of investments to a financial expert but only on terms that:
 - (i) the investment policy is set down in writing for the financial expert by the Governors
 - (ii) every transaction is reported promptly to the Governors; the performance of the investments is reviewed regularly with the Governors
 - (iii) the Governors are entitled to cancel the delegation arrangement at any time
 - (iv) the investment policy and the delegation arrangements are reviewed at least once a year
 - (v) all payments due to the financial expert are on a scale or at a level which is agreed in advance and are notified promptly to the Governors on receipt and
 - (vi) the financial expert must not do anything outside the powers of the Governors.
- To arrange for investments or other property of the Academy Trust to be held in the name of a nominee company acting under the control of the Governors or of a financial expert acting under their instructions and to pay any reasonable fee required.