



The Robert Carre Trust

Investment and Reserves Policy

1.0 Aims

The Robert Carre 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 investments are such that there is no risk to the loss of these cash funds.

Trustees must be clear about what they aim to achieve through financial investment. They must consider exactly what they want to do, how long 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.

2.0 Purpose

- 2.1 To ensure adequate cash balances are maintained in the Trust schools current accounts to cover day to day working capital requirements.
- 2.2 To ensure there is no risk of loss in the capital value of any cash funds invested.
- 2.3 To protect the capital value of any invested funds against inflation.
- 2.4 To optimise returns on invested funds.

3.0 Guidelines

- 3.1 Regular cash flow reports must 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. This will identify anticipated balances throughout the year. Where the cash flow identifies a base level of cash funds that will be surplus to requirements, these may be invested in short term Fixed Rate Deposits (Treasury Deposits) for a period to be determined by the Director of Finance, Administration and Resources. Investments can be reinvested after maturity based on the cash flow situation at that point in time. The Academy will ensure that security of funds takes precedence over revenue maximisation
- 3.2 Fixed Rate Deposits could be taken out with other banks/financial institutions dependent on the best deals available. An approved list of institutions is shown in as follows;
 - HSBC
 - Lloyds
 - Natwest
 - Nationwide
- 3.3 The Trust should ensure there is no risk of loss of capital value on any invested funds. Fixed Rate Deposits provide no risk to the Trust
- 3.4 Day to day negotiations will be undertaken by the Director of Finance, Administration and Resources through discussion with the bank's Relationship Manager. Available options will be forwarded to the Executive Headteacher for approval. Once agreed, this approval will be documented and signed by both the Director of Finance, Administration and Resources and the

Executive Headteacher prior to giving the bank permission to invest. (*Appendix 2*).The Executive Headteacher is authorised to make investment decisions up to £50,000

- 3.5 Any investments over £50,000 with a maximum period of twelve months must be approved by the Trustees and minuted.
- 3.6 The Trust will maintain a Register of Investments (*Appendix 3*) which will be retained centrally and reviewed on a regular basis. This will provide a tool to monitor the success of investments.
- 3.7 All investments will be reported to Trustees as part of the monthly finance report

4.0 Reserves Policy

- 4.1 The policy of the Trust is to ensure adequate cash balances are maintained, always allowing sufficient funds in the Trust's current account to cover financial commitments such as payroll and day-to-day expenses. The target level of reserves will be one month's expenditure which currently amounts to approximately £625,000. If there is a surplus of funds after all financial commitments have been considered, this surplus will be invested.
- 4.2 The trustees will attempt to build up a prudent level of reserves over a period of time and will review the reserves policy annually.

Associated Policy:

1. RCT Finance Regulations Policy and Manual

Appendices:

1. Authority Forms for Investments
2. Register of Investments

Reviewed at the meeting of the Finance, Resources and Audit Committee on 2 February 2021

Ratified at the meeting of the Trustees on 24 February 2021

Next review: March 2022 (Annually)

Authority Form for Investments

Date

Investment Description

Commencement date	
Amount to be invested	
Agreed Interest rate	
Maturity date	

*Signed Executive Headteacher (Investment limit £50,000)

*Signed Chair of Finance, Resources and Audit Committee
(Investment limit over £50,000)

*Delete as necessary

