



PROSPER TOGETHER MULTI ACADEMY TRUST

INVESTMENT POLICY

APPROVED BY TRUSTEES

FINANCE, AUDIT AND RISK COMMITTEE

18/04/23

DATE

APRIL 2023

PREPARED BY

S. Timmins

REVIEW DATE

September 2024

1. Aims

This Policy aims to ensure that:

- The funds of the Prosper Together Multi-Academy Trust (“the Trust”) are used only in accordance with the law, its Articles of Association, its Funding Agreement and the Academy Trust Handbook (also known as the Academies Financial Handbook).
- The Trust’s funds are used in a way that commands broad public support.
- Value for money (economy, efficiency and effectiveness) is achieved.
- Trustees fulfil their duties and responsibilities as charitable trustees and company directors.
- Funds are managed and invested in a way where surplus cash can be used to earn an acceptable rate of return without undue risk.

2. Legislation and guidance

The Academy Trust Handbook states that Academy Trusts are required to have an investment policy to:

- Manage, control and track their financial exposure, and
- ensure value for money.

This Policy is based on the Academy Trust Handbook and guidance from The Charity Commission. This Policy also complies with the Trust’s Funding Agreements and Articles of Association.

3. Roles and responsibilities

3.1 Trustees

The Trustees will ensure that investment risk is properly managed. When considering whether to make an investment, Trustees will:

- Act within their powers to invest, as set out in the Articles of Association.
- Exercise caution in all investments, reducing risk and ensuring that the Trust acts with the utmost integrity.
- Take investment advice from professional advisers, as appropriate.
- Ensure that exposure to investment products is tightly controlled so that security of funds takes precedence over revenue maximisation.
- Ensure that all investment decisions are in the best interests of the Trust and command broad public support.

Trustees will seek prior approval from the Education and Skills Funding Agency for investment transactions that are novel or contentious. Novel transactions are those of which the Trust has no experience or are outside the range of normal business activity for the Trust. Contentious transactions are those which might give rise to criticism of the Trust by Parliament, the public, and the media.

3.2 Finance, Audit & Risk Committee

The Trust Board delegates responsibility for the Trust’s investments to the Trust Board’s Finance, Audit & Risk Committee (FARC).

The Committee is responsible for:

- Controlling and tracking financial exposure and risk
- Reviewing the Trust’s investments
- Reporting to the Trust Board on investments.

3.3 The Chief Operations & Finance Officer

The Chief Operations & Finance Officer (COFO) is responsible for the day-to-day operation and monitoring of bank and investment accounts and advising the Trustees of account balances.

4. Investment principles

- Funds will only be placed with banking institutions that are regulated by the Financial Conduct Authority and with good credit ratings.
- All investments shall be UK based and be denominated in Sterling.
- The Trust operates a single main bank account and individual school fund collection bank accounts operated by Lloyds Commercial Banking. These current accounts do not attract any interest.
- The Trust may pool funds from across the central and collection bank accounts in short term notice and fixed deposits, subject to cashflow availability.
- Monies surplus to the working requirements shall be invested in low risk, short term, deposit accounts or in term deposits in regulated institutions.
- Institutions will be approved by the FARC.
- The COFO will identify and place funds to ensure adequate levels of return and spread of financial risk.
- Two out of the three Trust signatories will authorise all deposits. (Chair of Trustees, CEO, COFO), with the banking transaction completed by two of the three authorised administrators (currently COFO, SBM at Fordbridge Community Primary School, SBM at Castle Bromwich Infant and Nursery School).
- An individual deposit that exceeds £85k, or the current relevant Financial Services Compensation Scheme limit will require prior approval from either the Chair of the FARC or the Chair of Trustees.
- No more than £2m shall be held with any one fund or institution (excluding balances in the Lloyds current and deposit accounts).
- The Trust will only deposit funds with bodies protected by the Financial Services Compensation Scheme.
- All new investment accounts or cash management systems must be approved by the FARC prior to opening.

5. Procedures

- The list of banking signatories and approvers is held by the Trust's Central Team.
- New accounts will require two signatories on the application forms.
- Cash flow and current account balances will be monitored regularly by the COFO to ensure immediate financial commitments can be met and that the current account has adequate balances to meet forthcoming commitments.

6. Monitoring arrangements

- The CEO monitors the implementation of this Policy.
- This Policy will be reviewed and approved by the Finance, Audit & Risk Committee every two years, or when deemed appropriate due to changes in regulations or requirements relating to investments.

7. Register of deposits

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

- Institution with which deposit placed.
- Date deposit placed.
- Amount deposited.
- Date of maturity.
- Amount returned.
- Rate of interest.
- Interest earned.

The register will be stored on the Trust Network Drive, with restricted access to Central Team staff.

8. Links with other policies

This Investment Policy is linked to the following policies of the Trust:

- Finance Policy
- Accounting Policy