



## Carlton Academy Trust Investment policy

**Ratified by Board of Trustees (date):**

**February 2021**

**Signed on behalf of Board of Trustees**

**Signed on behalf of CEO:**

**Review date:**

**February 2022**

## **Aims**

This policy aims to ensure that:

- Trust monies are used only in accordance with the law, its articles of association, its funding agreement and the Academies Financial Handbook
- Monies are used in a way that commands broad public support
- Value for money is achieved
- Trustees fulfil their duties as charitable trustees and company directors
- The Trust can manage, control and track their financial exposure

## **Legislation and Guidance**

This policy is based on the Academies Financial Handbook, guidance from The Charity Commission, and complies with our funding agreement and Articles of Association.

## **Roles and Responsibilities**

### **Trustees**

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

- Act within their powers to invest, as set out in the Articles of Association
- Exercise caution in investments, reducing risk and ensuring that the Trust acts with integrity
- Take advice from a professional adviser, 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, defined as those which the Trust has no experience, or are outside the range of normal business activities.

### **Senior Leaders**

The Finance Director, along with the Executive Headteacher and Head of School, are responsible for researching and recommending investments to Trustees.

## **Investment Principles and Procedures**

The Trust will only invest in easily-accessible accounts with a low risk to capital.

Risk is managed through diversification of investments, ensuring that security of funds takes precedence over revenue maximization.

Funds will only be placed with institutions that are regulated by the Financial Conduct Authority, with good credit ratings. Investments are normally for no longer than a year to enable easy access to funds, unless there is a clear rationale supporting longer terms.

Any investment decision must be agreed by three authorised signatories: Finance Director, Executive Headteacher and Chair of Trustees. This must be formally recorded noting the date, amount, duration and description of investment and expected returns.

The Finance Director and Executive Headteacher will review investments on a regular basis to ensure returns are maximised. Cash flow will be monitored by the Finance Director to ensure immediate financial commitments can be met and the current account has adequate balances to meet forthcoming commitments. A maximum of £85,000 will be placed with one financial institution, in line with protection offered by the Financial Services Compensation Scheme.