



# Investments Policy

**Date Adopted: 29<sup>th</sup> September 2021**

**Author/owner: Board of Trustees**

**Review: Annually**

**NB.** 'Trustees' means the Directors referred to in the Trust's Articles of Association

## History of most recent policy changes

Version	Date	Page	Change	Origin of Change e.g. TU request, Change in legislation
V1.0	29.9.21	New	Policy moved from SAT to MAT	To set the parameters for investments in line with statutory documents.

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## 1. Principles

The 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 investment instruments are such that there is no risk to the loss of these cash funds. Our aim is to spend the public monies with which we are entrusted for the direct education benefit of students as soon as is prudent. The Trust does not consider the investment of surplus funds as a primary activity, rather it is the result of good stewardship as and when circumstances allow.

## 2. Purpose

- To ensure adequate cash balances are maintained in the current account to cover day-to-day working capital requirements
- To minimise risk of loss in the capital value of any cash funds invested
- To optimise returns on invested funds

## 3. Guidelines

- Regular cash flows are to be prepared and monitored to ensure there are adequate liquid funds to meet all payroll related commitments and outstanding supply creditors that are due for payment.
- Where the cash flow identifies a base level of cash funds that will be surplus to requirements these may be invested in an interest bearing account in a UK regulated bank.
- Where the surplus is deemed to be significant and long-term, funds may be invested in Treasury deposits, with maturity dates which do not result in the cash funds being unavailable for longer than 12 weeks upon agreement of the Board of Directors

## 4. Monitoring and Evaluation

The Chief Finance Officer [CFO] will compare alternative investment opportunities periodically to ensure that the Trust's funds achieve the best interest rates. Investments will be reported in the year-end financial statements.

## 5. Review

This policy will be reviewed by the Board of Trustees every 3 years.