SCHOLARS ACADEMY TRUST
Fulfilling every child's potential

Investment Policy

January 2023

Next review October 2025

Signed: ……………………………………..

Chair of the Trust

Date: Jan 23

Investment Policy

Introduction

Academies are able to make investments as these investments can be a good source of funding, but can also expose schools to risks.

A financial investment is when an investment is made to get the best financial return within the level of risk considered to be acceptable. The Trustees have several legal responsibilities when making financial investments. They must:

- Know and act within their Trust's powers to invest.
- Exercise care and skill when making investment decisions.
- Select investments that are right for the school.
- Review investments periodically.
- Explain their investment policy in their annual report.

Trustees must be clear about what they aim to achieve through financial investment. They must consider exactly what they want to do, how they intend to do it and what the timescale will be. They must also consider the Trust's and school's long and short term financial commitments as well as its expected income.

Risk

A certain degree of risk is associated with all investments so Trustees must do all they can to manage risk levels. Before any investment decisions are made, Trustees must consider the level of risk they are able to accept. They must be satisfied that the overall level of risk they are taking is appropriate for the Trust / school.

Aims

The aim of this policy is to ensure that the funds which Scholar's Trust does not immediately need to cover anticipated expenditure are invested in such a way as to maximise income but without risk.

The aim is to spend the public monies with which the Trust are entrusted, for the direct education benefit of pupils. Scholar's Trust does not consider the investment of surplus funds as a primary activity, rather that it is the result of good practice as and when circumstances allow.

Purposes

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

Guidelines

Regular cash flow reports are to 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.

Where the cash flow identifies a base level of cash funds that will be surplus to requirements these may be invested following approval from the Trust Finance Committee. Approval must be signed off and recorded in the committee minutes of both Trust and school committees. Investments with best return will always be the criteria.

Investment options must be bought to the Trust and school finance meetings as a regular standing item.

Monitoring and Evaluation

The CFO / CEO will compare alternative investment opportunities that the Trust funds achieve the best interest rates as requested.

The Trustees will be responsible for monitoring and reporting any investments that take place.