

Date ratified at Full  
Directors Meeting  
**24 April 2023**

Review  
Resources Committee

**St John the Baptist**



**Catholic Multi Academy Trust**

## **INVESTMENT POLICY**

### **THE TRUST MISSION STATEMENT**

*Inspired by the life of Christ we provide an exceptional education in our Catholic schools which enables our children:*

- to fully embrace all possibilities
- to flourish
- to develop their faith

*and therefore to choose a path that enables them to be a positive influence upon our world.*

**‘Prepare the Way’** *The Gospel of St Mark 1:3*

**St John the Baptist Catholic Multi Academy Trust**  
**Company No: 7913261**  
**Registered Office: Surrey Street, Norwich NR1 3PB**



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### 1. Aims

This policy aims to ensure that:

- › The academy trust's funds are used only in accordance with the law, its articles of association, its funding agreement and the Academy Trust 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

### 2. Legislation and guidance

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

- › Manage and track their financial exposure
- › Ensure value for money

This policy is based on the [Academy Trust Handbook](#) and guidance from [The Charity Commission](#).

This policy also complies with our funding agreement and articles of association.

### 3. Roles and responsibilities

#### 3.1 Academy trustees

Academy 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 our articles of association
- › Exercise caution in all investments, reducing risk and ensuring that the trust acts with the utmost integrity
- › Take investment 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, contentious or repercussive.

**Novel transactions** are those of which the academy 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.

**Repercussive transactions** are those likely to cause pressure on other trusts to take a similar approach and hence have wider financial implications.

### 3.2 Resources committee

Academy trustees delegate responsibility for the trust's investments to the Resources committee.

The committee is responsible for:

- › Controlling and tracking financial exposure
- › Reviewing the trust's investments
- › Reporting to trustees on investments

### 3.3 The chief financial officer / Director of Finance and Operations

The chief financial officer (CFO) is responsible for producing cash flow forecasts and for making decisions on investments. The CFO also provides information to the Resources committee and academy trustees, as appropriate.

## 4. Investment principles

We only invest funds in low risk and easily-accessible accounts. Surplus funds can be deposited in locked funds for periods between 1-12 months under this policy. If deposits are to be invested for longer periods than 12 months this must be authorised by the Full Directors Body with a prior recommendation from the Resources committee.

Periodically the CFO will review the interest rates being achieved and will compare with other investment instruments that comply with the parameters of this policy.

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

Funds will only be placed with banking institutions that are regulated by the Financial Conduct Authority and have been approved by the Board.

If a bank or building society authorised by the Financial Services Authority (FSA) is unable to pay back deposits held with it, the Financial Services Compensation Scheme (FSCS) can pay 100% of the first £85,000 of an eligible depositor's claim, per authorised institution.

It is the intention of the Trust to make investments in ways that are consistent with the values of the Trust as expressed in the mission statement and ethos.

The investments must comply with the Trust objects.

## 5. Procedures

The CFO is authorised to place surplus funds to interest bearing accounts.

This is currently done via direct instruction to the bank. The instruction can also be given by other bank signatories as per the bank mandate.

For the accounting purposes, the following information will be recorded about investments (Appendix 1):

- › Date
- › Amount and description of the investment

- › Length of investment
- › Interest rates/expected return

The CFO will review interest rates and compare them with other investment opportunities at least annually, or when the current investment matures.

Cash flow and current account balances will be monitored regularly by the CFO to ensure immediate financial commitments can be met and that the current account has adequate balances to meet forthcoming commitments.

When there are funds surplus to immediate cash requirements in the current account, we will transfer these to an account with a higher interest rate.

Investments will normally be for a fixed term that does not exceed one year, unless there is a clear rationale for longer-term investment that would benefit the trust.

Funds, and any interest earned on those funds, will be automatically reinvested unless money is required for immediate or anticipated expenditure.

## 6. Monitoring arrangements

The CFO monitors the implementation of this policy.

This policy will be reviewed and approved by the academy trustees every four years.

## 7. Links with other policies

This investment policy links with:

- › Accounting policy
- › Finance policy

## Appendix 1: investment authorisation form

DATE INVESTMENT MADE		DURATION OF INVESTMENT	
AMOUNT			
INTEREST RATE		EXPECTED RETURN	
DESCRIPTION OF INVESTMENT			
DETAILS OF WHERE THE INVESTMENT IS HELD			
SIGNATORY NAME PRINT		SIGNATORY NAME PRINT	
SIGNATURE		SIGNATURE	
DATE		DATE	