

Date ratified at Full
Directors' Meeting
26 March 2019

Review
Resources Committee

St John the Baptist



Catholic Multi Academy Trust

THE MAT MISSION STATEMENT

Our family of schools is united in the belief that God's love, peace, truth, and joy is for all. We are dedicated to the achievement of excellence in all we do. We cherish the uniqueness of each of our school communities and celebrate together as one Trust family. By following Jesus' example we bear witness to the greatness of God.

'To think, to feel, to do' Pope Francis

St John the Baptist Catholic MAT
Company No: 7913261
Registered Office: Surrey Street, Norwich NR1 3PB

INVESTMENT POLICY



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ST JOHN THE BAPTIST CATHOLIC MAT

INVESTMENT POLICY

PRINCIPLES

The St John the Baptist Catholic Multi Academy Trust (MAT) aims to manage its cash balances to provide for the day-to-day working capital requirements of its operations, whilst protecting, as far as possible, the real long-term value of any surplus cash balances against inflation.

In accordance with the Academies Financial Handbook the Board of Trustees may invest to further the trust's charitable aims, but must ensure that investment risk is properly managed.

When considering an investment the MAT's board must:

- act within its powers to invest as set out in its articles;
- have an investment policy to manage and track its financial exposure, and ensure value for money;
- exercise care and skill in investment decisions, taking advice as appropriate from a professional adviser ensure that exposure to investment products is tightly controlled so that **security of funds takes precedence over revenue maximisation**;
- ensure that investment decisions are in the best interests of the trust.

PURPOSES

- To ensure adequate cash balances are maintained in the current account to cover day-to-day working capital requirements of the MAT
- To ensure there is no risk of loss in the capital value of any cash funds invested
- To protect the capital value of any invested funds against inflation, as far as possible
- To optimise returns on invested funds for the benefit of the MAT's charitable aims and objectives.

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 together with any other commitments to other interested parties and/or statutory payment commitments to authorities or government agencies.

The cash flow forecasting will identify a protected base level of working capital below which the alternative 'Investment Instruments' cannot apply. This base level may change from time to time as advised by the MAT Finance and Operations Director and the Resources Committee. Currently the level is set at £900,000 which is more than one month worth of MAT's combined payroll costs.

Level of funds invested to fixed term deposit will be reviewed annually to reflect the Trust's cashflow forecast and any significant planned capital investment projects.

Surplus funds identified from time to time above this base level can be invested with or via the following Instruments;

- Interest bearing Bank Deposit accounts
- Bonds
- Treasury Bills
- Money Market Funds via FSA banks
- COIF Charity Investment Funds

All investments are recorded within the central finance office to enable current market value to be calculated (date of purchase, cost and description of investment including provider).

On maturity of an investment, the Board (through the Director of Finance and Operations) shall review the cash requirements of the school and decide whether the funds are to be reinvested or utilised.

BANKS

The Board (through the Chief Financial Officer) is allowed to invest funds with the following UK-based banking groups and their subsidiaries:

- Lloyds Banking Group;
- Barclays;
- HSBC; and
- The Royal Bank of Scotland Group

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. The list of authorised institutions and those considered acceptable to use, is provided by the FSA at the following address:

http://www.fsa.gov.uk/Pages/consumerinformation/uk_groups/index.shtml

DEPOSIT TIME PERIODS

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 MAT Finance and Operations Director will review the interest rates being achieved and will compare with other investment instruments that comply with the parameters of this policy.

ETHICAL & APPROPRIATE INVESTMENTS

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

The MAT will ensure that any bank or fund managers responsible for the MAT investments are operating to socially responsible objectives consistent with those of the MAT.

The investments must comply with the Charities Instruments and objectives.