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## TREASURY MANAGEMENT POLICY

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Policy Reviewed and Adopted by Board of Trustees

Date of Next Review: 31.10.21

Responsible Officer: Finance Director

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## 1. Introduction

1.1 Treasury Management is defined as: -

- the management of the Academy Trust's cash flows, banking and investment transactions,
- the management of the risks associated with these activities
- the pursuit of optimal returns consistent with those risks

1.2 The objectives of this policy are to ensure that the academy: -

- maintains sufficient cash balances in its current account to meet its day to day commitments
- invests surplus cash to earn an acceptable rate of return without undue risk
- consider spreading risk between differing types of investment and institutions to reduce credit risk

## 2. Responsibility

The Chief Executive officer and Board of Trustees have overall responsibility for the security and management of funds. The day to day management of the treasury function is controlled by the Director of Finance. The Director of Finance will liaise with the Chief Executive Officer and Board of Trustees in relation to investment decisions.

## 3. Cash Flow Forecasts

The Director of Finance will prepare and present regular 12 months rolling cash flows to the Trust Board to identify expected cash balances throughout the year for investment opportunities and to provide early warning of low cash balances.

## 4. Borrowing

The Academy is not permitted borrow without prior permission of the Secretary of State.

## 5. Investments

The Academy Trust will operate an interest bearing current account with a bank approved by the Board of Trustees (currently Lloyds Bank ) and maintain sufficient balances to ensure there are adequate liquid funds to cover all immediate and forthcoming financial commitments, including maintaining a sufficient contingency for unexpected payments.

Monies surplus to the working requirements shall be invested in term deposits with the current banker or with another UK institution regulated by the Financial Conduct Authority or the Prudential Regulation Authority.

The Academy Trust will not take out any long term deposits until reliable cash flow pattern had been established, monies will only be paid into term deposits not exceeding six months.

## 6. Limits and Authority

6.1 The Trust Board reserve the powers to:

- Give prior approval to the opening of new bank current accounts
- Amend the approved institutions with whom the Academy Trust will invest
- Give prior approval to any bank deposit with a maturity date exceeding six months

6.2 The Trust Board delegates authority to the Director of Finance to place deposits in the Academy Trust's name, at approved institutions, subject to the agreed limits within this policy. No deposits will be placed without prior agreement with the Head Teacher or other signatory subject to the relevant limits.

6.3 Authorised bank signatories of the Academy Trust are set out in the Academy's Financial Regulations Manual.

## 7. Register of Deposits

The Finance Director will maintain a register of all deposits/investments held which will record

- Institution with which deposit placed
- Date deposit placed
- Amount deposited
- Date of maturity
- Amount returned
- Interest earned
- Rate of Interest

## 8. Monitoring, evaluation and review

The Finance Director will present the Register of Deposits to the Board of Trustees on an annual basis.

Periodically (at least annually) the Finance Director will review interest rates and compare these with investment opportunities through other institutions.