



Investment Policy



The Stour Federation

1. AIMS

This policy aims to ensure that:

- The Stour Federation's funds are used only in accordance with the law, its articles of association, its funding agreement and the [Academy Trust Handbook](#).
- To ensure a consistent investment policy across the Trust.
- To achieve the best financial return available whilst ensuring that security of deposits takes precedence over revenue maximisation.

The objective of this policy is to identify a level of funds that can be placed on deposit to generate additional interest income for the Trust in order to support its on-going charitable objectives.

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.
- Exercise care and skill in investment decisions, taking advice as appropriate from a professional adviser.
- Ensure exposure to investment products is tightly controlled so security of funds takes precedence over revenue maximisation.
- Ensure investment decisions are in the trust's best interests
- Review the trust's investments and investment policy regularly.

The Trust Board should follow the Charity Commission's guidance: CC14 Charities and investment matters: A guide for trustees. ESFA's prior approval must be obtained for novel, contentious and/or repercussive investments.

3. ROLES AND RESPONSIBILITIES

Chief Financial Officer

The Directors delegate the day-to-day responsibility of managing and implementing the Investment Policy to the Chief Financial Officer (CFO) to ensure investments are managed in accordance with this policy and monitor regularly how the Trust's investments are performing.

Audit and Risk Committee

The Trust Board delegates responsibility for approving the Trust's investments to the Audit and Risk committee.

In relation to this policy, the committee is responsible for:

- Controlling and tracking financial exposure.
- Reviewing the Trust's investments.

- Reporting to Directors on investments.

4. INVESTMENT STRATEGY

Investments must be ethically sound.

Investments should be restricted to treasury and deposit accounts with the Academy bankers. Any interest is returned to the Academy as unrestricted income. Investments for a fixed term should not normally exceed one year in order to provide flexibility.

Decisions on how much to invest and how long to invest for will be based on operational requirements and demonstrated by cash flow forecasts produced by the Trust.

A sufficient balance must be held in the Academy and central trust's current accounts so that the Academy's financial commitments can always be met without the bank accounts going overdrawn. The size of the balance required in the current accounts will be determined by a forecast of future need and kept under review.

Proposals for investments will be prepared by the CFO in conjunction with the CEO for presentation to the Resources and Audit Committee.

The Resources and Audit Committee will be updated on:

- Cash flow forecasts to ensure that the Trust has sufficient funds to cover operational commitments.
- Tracking investment levels.
- Reporting the investment position to Trustees.

The CFO is responsible for placing approved investments into the agreed investment accounts.

5. MONITORING AND REPORTING

Before any funds are invested as per the process above, two authorised signatories (as per bank mandate) will sign to indicate they agree to the investment.

The CFO will report investments held and the performance of investments against objectives to the Resources and Audit Committee.

The following information will be reported:

- Funds invested.
- Maturity dates.
- Interest rates.
- Current market rates.
- Returns achieved against expected performance and policy benchmarks.
- Latest cash flows showing 12-month liquidity requirements.