



## Investment Policy

**Responsible for policy**  
**Date of policy**  
**Date approved by CC1**  
**Date of review**  
**Chair of Directors**

**CC1**  
**September 2019**  
**September 2019**  
**September 2022**

*Sandra Fawcett*

## 1. Introduction

The Academies Financial Handbook states “The board of trustees may invest to further the trust’s charitable aims but must ensure that investment risk is properly managed.” It goes on to say:

When considering an investment, the 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 maximization
- ensure that investment decisions are in the best interests of the trust
- review the trust’s investments and investment policy regularly

In addition, the Board should follow the Charity Commission’s Guidance (CC14 Charities and investment matters: A guide for trustees.)

<https://www.gov.uk/government/publications/charities-and-investment-matters-a-guide-for-trustees-cc14/charities-and-investment-matters-a-guide-for-trustees>

## 2. Financial Investment

The purpose of financial investment is to yield the best financial return within the level of risk considered to be acceptable.

In order to act within the law, the Finance, Resources and Premises Committee (the “Committee”) must:

- know, and act within, their powers to invest
- exercise care and skill when making investment decisions
- select investments that are right for Romero taking account of:
  - how suitable any investment is for Romero
  - the ethical nature of proposed investment platforms
  - the need to diversify investments
- take specialist advice
- follow certain legal requirements if outsourcing the management of the investment
- review investments from time to time
- disclose Romero’s Material Investment Policy in the Directors’ Report in the published Annual Financial Statements

The Committee 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 academy’s long and short term financial commitments as well as its expected income.

## 3. Risk

A certain degree of risk is associated with all investments.

The Committee must do all they can to manage risk levels. Before any investment decisions are made, the Committee 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 every Academy in the Multi Academy Company.

## 4. Investment

The Romero Catholic Academy is careful with the public money entrusted to them. They will carefully invest any money that is not required to cover anticipated expenditure and take steps to manage the risk associated with financial investments.

### **Objectives and targets**

The purpose of this policy is to ensure that any surplus funds are invested well so that they achieve the best financial returns with the minimum risk.

### **Action plan – Cash Investments**

Adequate cash balances must be maintained to ensure that there are always sufficient funds in the Academy's current accounts to cover financial commitments such as payroll and day-to-day expenses. The Academy does not have an overdraft facility on any bank accounts and accounts must not be allowed to go overdrawn.

If there is a surplus of funds after all financial commitments have been considered, this surplus can be invested.

Funds should be invested in deposit accounts on the advice of the Chief Financial Officer and approved by the Committee. The following profile should be used (considering prevailing interest rates):

- 50% - 30 day deposit account
- 25% - 60 day deposit account
- 25% - 12 month deposit account

Deposits will be held with Lloyds Bank plc or in other instruments and investments as agreed from time to time by the Committee.

Any investments must be recorded in sufficient detail to identify the investment and to enable the current market value to be calculated.

The Finance Team will continuously assess cashflow to ensure day to day needs are met through current account balances and where necessary funds on deposit can be added to or withdrawn from.

Funds, and any interest they earn, will be automatically reinvested, unless they are required for immediate or anticipated expenditure.

Head of Finance will compare alternative investment opportunities every 12 months to ensure that the company's funds achieve the best interest rates considering risk and reward.

## 5. Action plan – Non-Cash Investments

From time to time opportunities may arise to use Academy Funds to invest in other types of revenue generating projects. In such circumstances a business plan will be prepared by the proposer (with the aid of external specialist advisors where applicable) and presented to the Finance Resources and Premises Committee outlining the risks and rewards of the proposed investment. The Committee will use their powers and the guidance above to approve or otherwise the proposal put before them after due consideration.

## Policy Responsibility & Review

The Accounting Officer and Chief Financial Officer are responsible for ensuring that this policy is adhered to.

This policy will be actively reviewed and changes applied to reflect the nature of Romero's operations, beneficiaries, and operating environment.