



**Extend Learning**  
Academies Network

# Investment Policy

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## Version Control

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2.0	26/3/19	CFO	Minor changes to format
3.0	July'21	CFO	Annual review – no changes actioned
4.0	July 23	CFO	Annual review - updated to give flexibility on deposits

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## **1. Introduction**

Treasury management is defined as: -

- the management of ELAN cash flows, banking and investment transactions;
- the management of the risks associated with these activities;
- the pursuit of optimal returns consistent with those risks.

The objectives of this policy are to ensure that ELAN: -

- 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 (CEO) and the ELAN board have overall responsibility for the security and management of funds. The day to day management of the treasury function is controlled by the chief finance officer (CFO) who will liaise with the CEO and the ELAN board in relation to investment decisions.

## **3. Cash Flow Forecasts**

The CFO will monitor cashflow and identify any unexpected variances throughout the year to the ELAN board for investment opportunities and to provide early warning of low cash balances.

## **4. Borrowing**

ELAN is not permitted to borrow without prior permission of the Secretary of State.

## **5. Investments**

ELAN will operate an interest bearing current account with a bank approved by the ELAN board (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 Lloyds Bank. ELAN will not take out any long-term investments until reliable cash flow patterns have been established. The time period for which money is placed on deposit must provide adequate flexibility and where possible a range of time periods will be adopted to enhance flexibility. Flexibility will be the over-riding consideration in placing money on deposit.

Any investment decisions considered will consider guidance provided in the academy trust handbook.

## **6. Limits and Authority**

The ELAN board reserves the power to:

- give prior approval to the opening of new bank current accounts;
- amend the list of approved institutions with whom ELAN will invest (currently only Lloyds);
- give prior approval to any bank deposit with a maturity date exceeding six months.

The ELAN board delegates authority to the CFO to place deposits in ELAN's name, at approved institutions, subject to the agreed limits within this policy. No deposits will be placed without prior agreement with the CEO or other signatory subject to the relevant limits.

Authorised bank signatories of ELAN are set out in ELAN's Financial Regulations Policy.

## **7. Register of Deposits**

The CFO 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 CFO will present the register of deposits to the ELAN board on an annual basis. Annually the CFO will review interest rates and compare these with investment opportunities through other institutions.