



East Midlands  
Education Trust

# INVESTMENT POLICY

Autumn 2022

Review Date:	Autumn 2022	Reviewed & adopted by:	Trustees
Next Review Due:	Autumn 2023	Updated by:	Chief Finance Officer
Mid-Reviews (statutory):			
Document No:	POL-FIN-004	<i>The information contained on this document is considered proprietary to East Midlands Education Trust in that these items and processes were developed at private expense. This information shall not be released, disclosed, or duplicated.</i>	

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## 1 Principles

1.1 The trust aims to manage its cash balances to provide for the day-to-day working capital requirements of its operations, whilst protecting the real long-term value of any surplus cash balances against inflation. In addition, the trust aims to invest surplus cash funds to optimise returns, but ensuring the investment instruments are such that there is no risk to the loss of these cash funds.

## 2 Purposes

- 2.1 To ensure adequate cash balances are maintained in the current account to cover day-to-day working capital requirements
- 2.2 To ensure there is no risk of loss in the capital value of any cash funds invested
- 2.3 To protect the capital value of any invested funds against inflation
- 2.4 To optimise returns on invested funds

## 3 Guidelines

- 3.1 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 that are due for payment.
- 3.2 Where the cash flow identifies a base level of cash funds that will be surplus to requirements these may be invested only in the following:

- 3.3 Interest bearing deposit accounts with any of the main Banks and Building societies operating in the UK, including but not limited to;
- ~ Barclays
  - ~ Halifax
  - ~ HSBC
  - ~ Lloyds TSB
  - ~ NatWest
  - ~ RBS
  - ~ Santander
  - ~ The Co-operative
  - ~ Virgin Money
- 3.4 Where deposits with the above organisations is for a specific length of time i.e. 60 days' care should be taken to ensure that if early withdrawal is required the only penalty incurred is the loss of interest earned during that period.
- 3.5 Treasury deposits, with maturity dates which do not result in the cash funds being unavailable for longer than 8 weeks
- 3.6 All transactions should be approved by the Chief Executive Officer in advance.
- 3.7 Periodically (at least every 3 months) the Chief Financial Officer (CFO) will review the interest rates being achieved and will compare with other investment opportunities that comply within the parameters of this policy. In addition, the CFO will prepare and issue a report on investment performance.