INVESTMENT POLICY

Recommended by: **Date:**	Director of Finance, Accord MAT June 2017
Approved by: **Date:**	Board of Directors, Accord MAT July 2017
Review Date:	July 2018

1. INTRODUCTION

The purpose of the Investment Policy is to set out the processes by which the Directors will meet their duties, as set out under the Trust Articles of Association and Academies Financial Handbook, to invest monies surplus to operational requirements in furtherance of the Trust's charitable aims and to ensure that investment risk is properly and prudently managed.

2. PERSON RESPONSIBLE

In line with the Governance Handbook, The Directors of Accord Multi Academy Trust are responsible for agreeing the content of the policy in line with the Scheme of Financial Delegation. The Principal/Head Teacher and Governing Body of each member Academy are responsible for the implementation of the policy.

3. MONITORING AND EVALUATION OF THE POLICY

The Directors will review the policy on an annual basis.

4. POLICY AIMS

- To ensure a consistent investment policy across all member Academies within the Trust.
- To achieve the best financial return available whilst ensuring that security of deposits takes precedence over revenue maximisation.

5. SCOPE OF RESERVES POLICY

This policy has been formulated in accordance with the Trust Articles of Association and the Academies Financial Handbook, published by the EFA.

Accord MAT Articles of Association

The Trust Articles of Association state that:

In furtherance of the Objects, but not further or otherwise, the Academy Trust may exercise the following powers:

m). to deposit or invest any funds of the Academy Trust not immediately required for the furtherance of its Objects (but to invest only after obtaining such advice from a financial expert as the Trustees consider necessary and having regard to the suitability of investments and the need for diversification);

n). to delegate the management of investments to a financial expert, but only on terms that:
i. the investment policy is set down in writing for the financial expert by the Trustees;
ii. every transaction is reported promptly to the Trustees;
iii. the performance of the investments is reviewed regularly with the Trustees;
iv. the Trustees are entitled to cancel the delegation arrangement at any time;
v. the investment policy and the delegation arrangement are reviewed at least once a year;
vi. all payments due to the financial expert are on a scale or at a level which is agreed in advance and are notified promptly to the Trustees on receipt; and
vii. the financial expert must not do anything outside the powers of the Trustees;

o). to arrange for investments or other property of the Academy Trust to be held in the name of a nominee company acting under the control of the Trustees or of a financial expert acting under their instructions, and to pay any reasonable fee required

Academies Financial Handbook
The Academies Financial Handbook states that the Directors must take a cautious approach to investments in line with the principles set out below:

2.2.8 Investments

*2.2.9 The board of trustees may invest to further their trust's charitable aims, but **must** ensure that investment risk is properly managed. When considering making an investment the board of trustees **must**:*

• act within their powers to invest as set out in their articles of association

• have an investment policy to manage, control and track their financial exposure, and ensure value for money

• exercise care and skill in all 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 maximisation

• ensure that all investment decisions are in the best interests of the trust and command broad public support

• review the trust's investments and investment policy regularly

*2.2.10 The board should follow the Charity Commission's guidance: CC14 Charities and investment matters: A guide for trustees. EFA's prior approval **must** be obtained for investment transactions which are novel and/or contentious.*

6. INVESTMENT STRATEGY

Investments are currently restricted to treasury and deposit accounts with the Academy's bankers. Any interest is returned to the Academy as unrestricted income.

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 Academy and reviewed by the Director of Finance in conjunction with the Chief Executive Officer. Investments for a fixed term should not normally exceed one year in order to provide flexibility.

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

The Business Manager is responsible for:

- preparing regular cash flow forecasts to ensure that the Academy has sufficient funds to cover operational commitments;
- placing investments into the agreed investment accounts as approved by the Director of Finance and the Chief Executive Officer, whilst ensuring that the cash flow position detailed above is achieved;
- tracking investment levels;
- reporting the investment position to Directors.

Signature: **Chief Executive**	A Warboys
Signature: **Chair of Board of Directors**	B Kelly
Date:	July 2017