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Introduction

The purpose of the Investment Policy is to set out the process for the Key Management and Trustees of the University of Chichester (Multi) Academy Trust (the Trust), in exercising their duties, as set out under the Trust Articles of Association and Academies Trust Handbook, that will enable them to generate funds through the effective management of suitable investment options and cashflow risk assessment, in order to support the furtherance of the Trust's charitable aims.

1. Policy Approval and Implementation

- In line with the Scheme of Delegation, the Board of Trustees of University of Chichester (Multi) Academy Trust are responsible for agreeing the content of the policy.
- The Board of Trustees delegate responsibility for approving any investments to the Finance & Audit Committee.
- The Director of Finance and Chief Executive Officer (Accounting Officer) is responsible for the implementation of this policy, in conjunction with the Financial Controller.

2. Policy Aims

- To recognise the need of fundraising through alternative sources
- To promote the 'Value for Money' requirements
- To maximise the return on investment through a prudent financial assessment
- To reinvest funds to support the objects of the Trust
- To improve the current asset turnover

3. Scope of the Policy

3.1 This policy has been formulated in accordance with the Trust's Articles of Association and the Academies Trust Handbook, published by the ESFA.

3.2 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 by the Finance & Audit Committee;
 - 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."

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

Investments

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

- *act within its powers to invest as described 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 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.*

2.26 The board should follow the Charity Commission's guidance: CC14 Charities and investment matters: A guide for trustees. ESFA's approval must be obtained for novel,

contentious and/or repercussive investments.

4. Investment Strategy

- 4.1 The Trust considers the Investment Strategy to be based on a low risk approach, this is to ensure there is sufficient prudence applied to meet the operational and capital liquidity requirements. Therefore, the investment is currently limited to Treasury Reserve Accounts, held with the Trust's bank. Any interest is returned to the Trust as unrestricted income. Investments for a fixed term should normally be between two to six months, in order to provide flexibility and time to reassess.
- 4.2. Decisions on how much to invest and how long to invest will be based on operational and capital requirements, and demonstrated by financial assessment produced by the Director of Finance.
- 4.3 A sufficient cash balance must be held in the Trust bank accounts so that the individual academy's financial commitments can always be met sufficiently. The Trustees recognise that cash investments may need to be pooled in order to maximise the returns. The size of the investment required will be determined by a periodic financial assessment taking into consideration any cashflow demands.
- 4.4 Proposals for investments or reinvestments will be prepared by the Director of Finance in conjunction with the Financial Controller for presentation to the Finance & Audit Committee.
- 4.5 The reporting of the investment performance will be presented to the Finance & Audit Committee.
- 4.6 The Director of Finance will place approved investments into the agreed investment