

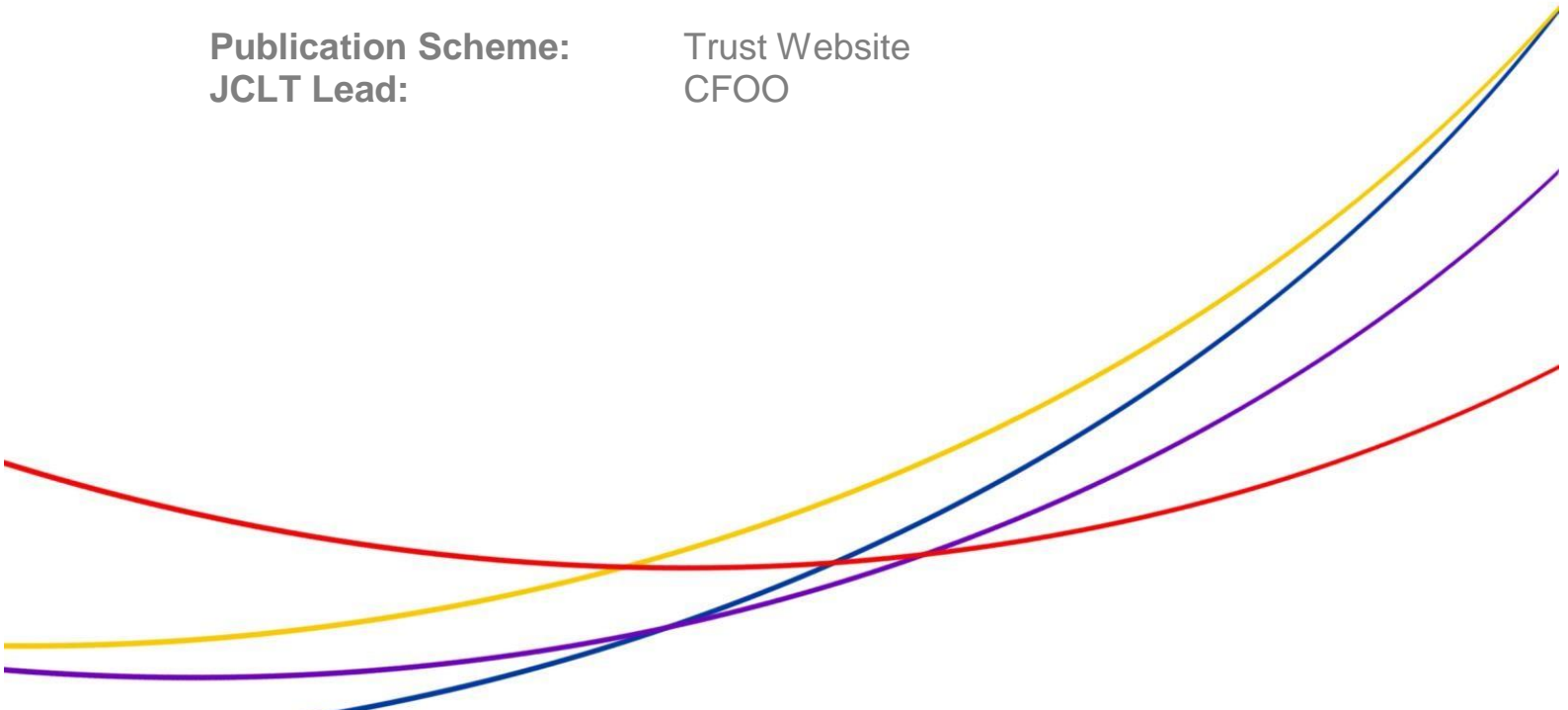


**JAMES COOK  
LEARNING TRUST**

# **Treasury Management Policy**

<b>Policy Dated:</b>	September 2021
<b>Adopted by:</b>	JCLT Trust Board
<b>Date of Next Review:</b>	September 2022

<b>Publication Scheme:</b>	Trust Website
<b>JCLT Lead:</b>	CFOO



## **1. Introduction**

Treasury Management is defined as:

- The management of the Trust's cash flows, banking and investment transactions
- The management of the risks associated with these activities
- The pursuit of optimal returns consistent with those risks

## **2. Objectives**

The objectives of this policy are to ensure that the academy trust:

- 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
- Complies with the Academies Financial Handbook and ensures that security of funds takes precedence over revenue maximisation
- Considers spreading risk between differing institutions to reduce risk.

## **3. Academy Trust Handbook Guidance**

The board of trustees may invest to further the 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

## **4. Responsibility**

The CEO and Board of Trustees have overall responsibility for the security and management of funds. The day-to-day management of the treasury function is controlled by the CFOO. The CEO and CFOO will liaise with the Board of Trustees in relation to investment decisions.

## **5. Cash Flow Forecasts**

The James Cook Learning Trust prepares regular cash flows forecasts to the Board of Trustees to identify expected cash balances throughout the year for investment opportunities and to provide early warning of low cash balances.

## **6. Borrowing**

The Trust must obtain the ESFA's prior approval for borrowing (including finance leases and overdraft facilities) from any source, where such borrowing is to be repaid from grant monies or secured on assets funded by grant monies, regardless of the interest rate chargeable.

The trust will only be granted permission for borrowing in exceptional circumstances, such as schemes introduced by the Secretary of State to meet broader policy objectives.

## **7. Deposits**

The Trust will operate an interest bearing current account with a bank approved by the Board of Trustees. Sufficient balances will be maintained ensure there are adequate liquid funds to cover all immediate and forthcoming financial commitments, including maintaining a sufficient contingency for unexpected payments.

The opening of any further accounts must be authorised by the Board of Trustees

## **8. Approval for Investment of Funds**

Monies surplus to the working requirements may be invested in low risk deposit accounts or in term deposits in regulated institutions.

Prior to the investment of any funds, discussion should be held and minuted at the Finance, Audit, Risk and Resource Committee. A decision should be made using appropriate evidence including the cash flow forecasts and financial forecasts for the Trust. This decision will be recommended to the Trust Board in line with the Trust's scheme of delegation.

The Trust will not take out any long term deposits until reliable cash flow pattern has been established.

The Academy will only deposit funds with bodies protected by the Financial Services Compensation Scheme.

## **9. Register of Deposits**

The James Cook Learning Trust 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
- Rate of interest
- Interest earned

## **10. Monitoring, Evaluation and Review**

The James Cook Learning Trust will present the Register of Deposits to the Board of Trustees/Governing Body on an annual basis.