

Marlborough Primary School

School Policies Manual



INVESTMENT POLICY

Rationale

As trustee of school funds the School Council has the responsibility for ensuring that all money is adequately managed and any surplus funds securely invested to generate interest revenue for the school.

An investment policy is a requirement of DET as a part of internal control procedures. It aims to provide clear and unequivocal guidelines to the school community, Principal and School Council as to how moneys are to be invested on its behalf.

DET requires the School Council to adopt the Prudent Investor Test to the investment institution of their choice so that it:

- Is prudentially sound and secure
- Is professionally managed
- Has strong financial status in its reserves, liquidity and profitability

Aims

To maximise the school funds by investing in secure institutions

To minimise the element of risk by investing with secure and authorised institutions

To continually monitor school investments, and investigate interest rates prior to reinvestment

To ensure that the investments period meets the liquidity needs of the school cash flow

Implementation

This policy is based on:

Schools of the Future Reference Guide 7.7.3

Executive Memorandum No. 97/02 1: Investment of School Funds

Only low risk investments approved by the State and Federal Governments are to be undertaken. The School Council can decide to invest in banks, building societies or credit unions. It can decide to invest in bank accepted or endorsed bills of exchange or in negotiable, convertible or transferable certificates of deposit issued by the bank.

Advice will be sought from bank investment officers and/or other financial advisers as required; to determine the best investment and/or reinvestment options.

The cash flow of the school is to be managed by the office Manager such that cash in the Official Account is sufficient to meet commitments.

The School Council must approve the investments of funds, or changes to investments. The Principal must authorise the Office Manager to undertake such investment.

All investments will be undertaken with reference to the school's required cash flow during the year.

In the event of investment/reinvestment timelines not coinciding with the Finance Committee or School Council meetings, the School Council has agreed to the Principal and Treasurer making a decision to invest/reinvest after comparable rates are obtained.

All investment accounts will be included in the CASES Financial system and the procedures for properly maintaining the accounts will be completed in accordance with DET policy.

All investments and interest will be manually recorded in an Investment Register maintained by the office Manager of the school. This register will contain:

- The date of lodgement
- The name of the institution
- The terms of investment
- The period, percentage rate and maturity date and
- The amount invested.

Investment statements should be reconciled regularly to the investment register. These reconciliations should ensure that all investments are recorded and that interest is being received in accordance with the terms of the deposit. The investment register should also be reconciled regularly with the details held in the CASES system. All moneys will be receipted through the official account and no direct payments from the investment account will be made. Funds must first be transferred into the official account.

The Finance Committee has the responsibility to continually evaluate and monitor all school investments.

This policy was endorsed by School Council on February 23rd, 2016

School Council President: (Signature) _____

(Name) _____

School Principal: (Signature) _____

(Name) _____

Ratified by School Council 10th March 2015