

Policy INVESTMENT

Rationale

School Council has a responsibility to manage school funds and in doing so, has a responsibility to invest funds in a manner that generates the maximum interest revenue with institutions that represent low risk.

Aim

1. To ensure maximum interest returns on low-risk investments.
2. To ensure the cash flow needs of the school are not compromised by the investment of funds into inaccessible accounts.
3. To enable school investments to have the flexibility to meet school commitments while attracting a high level of interest.

Guidelines

1. All grants and other payments from DET are paid into the school's individual 'at call' High Yield Investment Account.
2. These funds are then transferred into the school's Official Account on a needs basis.
3. School council must consider whether or not it should leave excess funds in the High Yield Investment Account, or seek other investment opportunities. The Finance Committee will monitor and make recommendations regarding investment of targeted fund to school council
4. School Council must maintain a manual Investment Register for all investments other than the High Yield Investment Account. The register will detail date of lodgement, investment institution, account number, amount invested, and terms of investment including interest rate, maturity date and interest earned.
5. When considering investment opportunities, school council will ensure that funds are only invested with institutions that are prudentially sound and secure, professionally managed, and have strong financial status in reserves, liquidity and profitability. The institution selected must be one of DET's recommended financial institutions.
6. All investment and changes to investments, including the 'roll over' of existing investments, must be approved and minuted by the Finance committee and school council, and authorised by the principal.
7. All investments will be made in the name of school council and be reported on CASES21.
8. The cash-flow requirements of the school must be monitored to ensure that there are sufficient funds available to meet commitments.
9. School Council must not deposit money directly into, or make payments directly from an investment account. All receipts and payments must be made via the Official Account with the exception of interest earned and paid directly into an investment account, funds deposited by DET directly into the High Yield Investment Account, and schools with ATO endorsement to operate a gift deductible trust fund (e.g. school library or building fund).

Evaluation:

This policy, plus investment levels, investment terms and types of investments are required to be formally minuted and reviewed by school council regularly.