



Biddick
Academy

<i>Name of Policy</i>	Treasury Management
<i>Aims of Policy</i>	<p>To ensure that the academy: -</p> <ul style="list-style-type: none">• 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• consider spreading risk between differing types of investment and institutions to reduce credit risk
<i>Date Valid</i>	January 2024 To January 2025
<i>Date of Approval</i>	December 2023 - Headteacher December 2023 - Full Trustee Board
<i>Next Review and Approval Date</i>	January 2025
<i>Responsibility for Review</i>	Director of Business and Finance

1. Aims

To ensure that the academy: -

- 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
- consider spreading risk between differing types of investment and institutions to reduce credit risk.

2. Introduction

Treasury Management is defined as: -

- 2.1. the management of the Academy's cash flows, banking and investment transactions,
- 2.2. the management of the risks associated with these activities
- 2.3. the pursuit of optimal returns consistent with those risks

3. The objectives of this policy are to ensure that the Academy: -

- 3.1.1.1. maintains sufficient cash balances in its current account to meet its day-to-day commitments
- 3.2. invests surplus cash to earn an acceptable rate of return without undue risk
- 3.2.1.1. consider spreading risk between differing types of investment and institutions to reduce credit risk

4. Responsibility

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

5. Cash Flow Forecasts

The Director of Business and Finance will prepare and present regular cash flows forecasts to the Trustees to identify expected cash balances throughout the year for investment opportunities and to provide early warning of low cash balances.

6. Borrowing

The Academy is not permitted borrow without prior permission of the Secretary of State.

7. Investments

- 7.1. The Academy will operate a current account with a bank approved by the Trustees and maintain sufficient balances to ensure there are adequate liquid funds to cover all immediate and forthcoming financial commitments, including maintaining a sufficient contingency for unexpected payments.
- 7.2. Monies surplus to the working requirements shall be invested in term deposits with banks approved by the Trustees. The Academy will not take out any long term investments until reliable cash flow pattern had been established, monies will only be paid into term deposits not exceeding twelve months.

8. Limits and Authority

- 8.1. The Trustee Body reserve the powers to:

- 8.1.1. Give prior approval to the opening of new bank current accounts
- 8.1.2. Amend the list of approved institutions with whom the Academy will invest
- 8.1.3. Give prior approval to any bank deposit with a maturity date exceeding six months
- 8.1.4. The Trustees delegate authority to the Director of Business and Finance to place deposits in the Academy's name at approved institutions, subject to the agreed limits within this policy. No deposits will be placed without prior agreement with the Headteacher or other signatory subject to the relevant limits.
- 8.1.5. Authorised bank signatories of the Academy are set out in the Academy's Financial Regulations Manual.

9. Register of Deposits

- 9.1. The Director of Business and Finance will maintain a register of all deposits/investments held which will record
- 9.2. Institution with which deposit placed
- 9.3. Date deposit placed
- 9.4. Amount deposited
- 9.5. Date of maturity
- 9.6. Amount returned
- 9.7. Interest earned
- 9.8. Rate of Interest

10. Monitoring, evaluation and review

- 10.1. The Director of Business and Finance will present the Register of Deposits to Trustees on an annual basis.
- 10.2. Periodically (at least annually) the Director of Business and Finance will review interest rates and compare these with investment opportunities through other institutions.