



Bishop Bewick Catholic Education Trust

Policy Title:	Treasury Management and Investment Policy		
Date of Approval:	May 2024		
Approved by:	Trust Board		
Date of next review:	May 2027		
Change log:			
Version	Date	Author	Change
1	Dec 2021	COO	Original
1.1	Oct 2022	SO	Amended, minor corrections made.
1.2	Mar 2023	COO	Minor updates
1.3	Mar 2024	CFO	Clarification that this policy only needs to be reviewed by the Trust's Board every 3 years (or sooner if circumstances demand it).



Introduction

Treasury management is defined by the Chartered Institute of Public Finance and Accountancy's (CIPFA's) Code of Practice for Treasury Management in the Public Services as "the management of the Trust's cash flows, banking, money market and capital market transactions; the effective management of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks."

The objectives of treasury management are to:

- a) provide a means by which the Trust can meet its financial commitments
- b) ensure that sufficient sums are available at short or no-notice to meet foreseeable requirements
- c) earn an acceptable rate of return on surplus funds without undue risk
- d) spread risk between differing types of investment and institutions
- e) comply with the Academy Articles of Association

Responsibility

The opening of all bank accounts must be authorised by the Trust's Finance committee.

The day-to-day management of the treasury function is controlled by the COO/CFO and the central finance team.

The COO/CFO and the central team are responsible for all bank accounts in the Trust's name.

Operational arrangements for all bank accounts (including the administration of payments, reconciliations, transfers, authorised signatories etc) are set out in the Trust's Operating Procedures (Finance manual).

The COO/CFO and the central finance team are responsible for preparing cash flow forecasts on at least a monthly basis to ensure that the Trust has sufficient funds available to cover its immediate and forthcoming financial commitments and sufficient contingency for unexpected payments.



Investment of funds

The Trust will operate an interest bearing current account with a bank or building society approved by the Trust's Finance committee and maintain a balance in that account that is sufficient to cover its immediate and forthcoming financial commitments and sufficient contingency for unexpected payments.

If significant surplus balances are forecast, steps should be taken to invest the surplus in term deposit accounts that attract higher rates of interest than would otherwise be received.

Whilst the return on working capital should be optimised, the Trust's policy is to avoid risk than to maximise return.

Monies surplus to the working requirements shall be invested by the COO/CFO in an account in the name of the Trust with the approved institutions authorised by the Trust's Board.

Approved institutions for investment

Security of investment is paramount. Deposits and investments will be made only with institutions approved by the Trust's Board.

The COO will ensure timely advice is brought to the Board's attention should the assessed strength of any financial institution in use by the Trust be downgraded.

Limits and authority

The Trust's Board, on the recommendation of the Finance & Resources Committee, have the sole authority to:

- Give approval to the opening of new bank or building society accounts
- Amend the list of approved institutions for any bank or building society term deposits
- Give approval to any investment product other than with a bank or building society

The COO/CFO, with the secondary approval of the Trust's Chief Executive Officer, has delegated authority to place term deposits in the Trust's name, at approved institutions, subject to the need to maintain appropriate liquidity for cashflow purposes.

Authorised signatories for all bank and deposit accounts, including payments, must be in keeping with the delegations set out in the Trust's Financial Regulations and detailed in the Operational procedures. Any changes in the authorised signatories must be approved by the Trust's Finance & Resources committee.

All investments, outside of term deposit accounts, need the approval of the Trust's Finance & Resources committee.

ESFA's prior approval must be obtained for investment transactions which are novel and/or contentious.



Borrowing of funds

The Trust is not permitted to borrow without prior permission of the Secretary of State (via the ESFA).

Any overdraft/borrowing will only be undertaken after approval of both the full Directors and Secretary of State.

Recording and monitoring

Bank balances and all deposits/investments will be reconciled and balanced to the Trust's accounting records every month by the central finance team.

The COO/CFO and central finance team will maintain a register of all deposits/investments held which will record:

- Institution with which the deposit was made
- Date deposit was placed
- Authorisation for the transaction
- Amount deposited
- Date of maturity
- Amount returned
- Interest earned
- Rate of interest obtained

The effectiveness of this policy will be monitored by the COO/CFO and the Finance & Resources committee. The policy will be reviewed by the Trust's Board every three years, or sooner if circumstances demand.