

Trust Policy

Investment

Policy type	Trust wide
Review	Three yearly
Author	COO
Approved by	Sharon Carlyon
To be ratified by	Finance, People and Operations Committee
Date of ratification	18 th December 2023
Date of next review	Autumn 2 2026

This policy is a mandatory policy for all DSAMAT Academies and must be implemented without any amendments

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The Diocese of St Albans Multi Academy Trust is a company limited by guarantee.
Registered in England No 10449374 Registered Office:
Manshead CE Academy, Dunstable Rd, Caddington, Luton, LU1 4BB



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1. Introduction

This policy governs the investment strategy of the Diocese of St Albans Multi Academy Trust (DSAMAT) and all academies that constitute the Trust. The management of these investments will comply with the requirements of the:

- Charities Act 2011
- Trustee Act 2000
- Financial Services and Markets Act (FMSA) 2000
- Charity Commission
- Academies Trust Handbook

The custodian of these funds is the Trust, which is managed by its Board of Directors. Therefore, there is a sole corporate body with responsibility for managing and administering the assets of the charitable funds and investments.

2. Objectives

This policy will set out the processes by which the Trust can invest funds, surplus to day-to-day operating requirements. It will identify how to determine the level of funds that can be placed on deposit, alongside managing the level of risk exposure.

3. Roles and Responsibilities

Directors

Directors will ensure that investment risk is properly managed. When considering whether to make an investment, Directors will:

- Act within their powers to invest as set out in our Articles of Association

Exercise caution in all investments, reducing risk and ensuring that the trust acts with integrity.

- Take professional investment advice, as appropriate.
- Ensure exposure to investment products is tightly controlled so the security of funds takes precedence over revenue maximisation.

Directors will delegate responsibility for the trust's investments to the Finance, People and Operations Committee, who must monitor regularly how the Trust's investments are performing.

Directors will seek prior approval from the Education and Skills Funding Agency for investment transactions that are novel or contentious.

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Novel transactions are those of which the Academy Trust has no experience of or are outside the range of normal business activity for the Trust.

Contentious transactions are those, which might give rise to criticism of the Trust by Parliament, the public, and the media.

4. Investment & Counterparty Risk

The Trust acknowledges that, in order to achieve an optimal rate of return, investments will be subject to a level of risk (Risk Return Relationship). DSAMAT will seek to adopt a prudent appetite towards risk by only making deposits with Banks or Building Societies with a UK banking licence and regulated by the FCA and PRA.

Investment guidelines:

- The Trust may invest surplus funds in overnight or Fixed Term Deposit accounts for up to 15 months with the trust's bank or any other FCA regulated UK Bank or Building Society covered by the FSCS £85,000 protection.
- The Trust will not deposit any amount greater than £85,000 (plus accrued interest) outside of the trust's bank with any single institution unless they have a credit rating or implied credit rating (at the time of deposit) of BBB- or better which equates to 'Investment Grade: Good' or better or A- which equates to 'Investment Grade: High'
- Cash transfers will be carried out in line with the banking approval process including approval by the COO, with documented approval from the Accounting Officer.

5. Assessing liquidity needs

The Trust should ensure that a sufficient balance must be held across accounts with instant access so that the Trust's financial commitments can be met without the risk of the current account going overdrawn. It should also allow enough flexibility to deal with reasonable, one-off events should they occur. The Trust's reserves policy and cash flow forecasts will dictate how much is available for investment and for how long.

6. Ethical Investment

DSAMAT is mindful of its underlying principle to further the purpose of the Trust (provision of education); that purpose will ordinarily be best served by seeking the maximum return.

Positive criteria include:

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- Responsible employment practices;
- Best corporate Governance practice;
- Respect with regard to human rights;
- Sustainable environment practice;
- Sensitivity towards the communities in which the business operates

7. Monitoring and Reporting Investments

The Trust will review the investments held and the performance of investments against the objectives to the Finance, People and Operations Committee at least annually. The report should include:

- Funds invested
- Duration of investment/maturity date
- Interest rates
- Current market rates
- Latest cash flows showing 12-month liquidity requirements
- Recommendations for the next 3 months.

The Trusts annual report and financial statements will describe the investment policy used to select the Trust's investments.

8. Related policies

The following policies are related to this policy:

1. Fraud policy
2. Reserves policy
3. Financial Procedure Policy





Appendix 1: Investment Authorisation Form

DATE INVESTMENT MADE		DURATION OF INVESTMENT	
AMOUNT			
INTEREST RATE		EXPECTED RETURN	
DESCRIPTION OF INVESTMENT			
DETAILS OF WHERE THE INVESTMENT IS HELD			
SIGNATORY NAME PRINT		SIGNATORY NAME PRINT	
SIGNATURE		SIGNATURE	
DATE		DATE	

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