

INVESTMENT POLICY

Purpose:

A formal investment policy will provide School Council with guidelines for making decisions relating to the investment of funds and also a process for managing associated risks.

Guidelines:

Only low risk investments are to be undertaken. Cash flow of the school is to be such that cash in the official account is enough to meet commitments. The School Council must approve the investment of funds and Principal must authorize the investment. 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 DEECD policy. In particular, no direct deposits into investment accounts except for interest earned on those accounts. All monies will be receipted through the official account. No direct payments from the investment account will be made. The monies must first be transferred into the official account. The School Council can decide to invest in banks, building societies or credit unions. It can invest in bank accepted or endorsed bills of exchange or in negotiable, convertible or transferable certificates of deposit issued by the bank. The maximum dollar amount per financial institution (other than those designated by DEECD i.e. High Yield Account) will be \$100,000 and the maximum length on investment will be 180 days except if the school has receipted money for Special Projects which have yet to be finalised.

Investment Objective:

It is the School Council's objective to achieve a reasonable rate of return, at least 1% above the current CPI, without having to place the funds in any high risk investments. The funds should be liquid enough to meet the everyday running costs of the school.

Investment Strategy:

All investments, or changes to investments and withdrawals should be approved or ratified by the School Council. The current strategy is to keep the cheque account at a minimum balance because we have a 24 hour access account in which we can easily transfer funds over to the cheque account at 24 hour notice and yet earn a higher rate of interest. The surplus to the 24 hour access account is to be invested in Bank Bills or Term Deposits, depending on the current financial position of the school. It is the School Council's responsibility to maximize the interest revenue on surplus school funds, therefore there will be times when some surplus funds will be tied up for up to six months (180 days).

Asset Allocation of School Funds:

0002 School Official Account, Cheque Account, Bendigo Bank Toora
0001 High Yield Account, Westpac Bank – 24 hour Access Account

Implementation:

School Council formally documents an investment policy for the current year in regard to risk, interest rates, dollar limits and period of investment. 2014 opening balance of Westpac High Yield account is \$125443.82 DEECD requires an amount equivalent to a quarter of the cash grant to be maintained at all times. Signatories to cheque account: Barbara Purvis, Kerry Corcoran, Tania Cook, Kelly Koolen and Tracey Van Kuyk. Two required per cheque. Signatories to vouchers: Barbara Purvis, Dianne Walker, Tania Cook & Tracey Van Kuyk. Non-signatory with permission to access account information: Dianne Walker.

This investment policy was presented and accepted at the **13th March 2014** School Council Meeting.