



## **SCHOOL INVESTMENT POLICY**

### **Rationale:**

An Investment Policy is a requirement of the DET as part of Financial Internal Control procedures. School Council has the responsibility to manage school funds and in doing so, has a responsibility to invest excess funds to:

- ensure maximum interest returns on low-risk investments.
- ensure the cash flow needs of the school are not compromised by the investment of funds into inaccessible accounts.
- accumulate funds that can be used for the development of the school or to support its programs.

### **Aim:**

To ensure school funds are invested prudently to optimise the accumulation of funds to support school programs in balance with school cash flow requirements.

### **Implementation:**

- All grants and other payments from the DET will be paid into the 'at call' High Yield Investment Account.
- These funds, plus locally raised funds, (eg: Essential Education Item payments, commission, fundraising and hiring of facilities), will be transferred into the school's Official Account on a needs basis.
- School Council will decide whether or not it will leave funds in the High Yield Investment Account, or seek other investment opportunities.
- The Finance sub-committee of School Council will monitor and make recommendations to School Council regarding investment of funds.
- School funds may be invested in Financial Institutions (specifically Banks and Credit Unions), which are regulated by the Australian Prudential Regulation Authority (APRA) and are listed by them as an Authorised Deposit –taking Institution (ADIs). A full list of these financial institutions can be obtained from the APRA website at <http://www.apra.gov.au/adi>. Schools are able to invest in the following types of products with these institutions:
  - Cash Management accounts
  - Term deposit accounts
  - Accepted or endorsed bills of exchange
  - Negotiable, convertible or transferrable certificates of deposit
- 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, where appropriate.
- When considering investment opportunities, School Council will ensure that funds are only invested with institutions that are recognised as being:

- a) prudentially sound and secure
- b) professionally managed
- c) of strong financial status in reserves, liquidity and profitability
- All investments and changes to investments, must be approved and minuted by School Council, and authorised by the Principal and a nominated School Council delegate. This includes:
  - a) 'rollover' of existing investments
  - b) the level of funds invested
  - c) the term of investments
  - d) the type of investments in relation to the school's cash flow needs
  - e) the Summary of Financial Commitment
- All investments will be made in the name of School Council and be reported through CASES 21.
- Registered signatories at the bank for these accounts must comprise the principal as a mandatory signatory, and a second co-signatory who must be a member of school council and approved by council as a signatory. The business manager, registrar or bursar employed by the school cannot be nominated as a signatory to school accounts, even if that person is a school council member.
- The cash-flow requirements of the school will be monitored to ensure that there are sufficient funds available to meet commitments.
- School Council will not deposit money directly into, or make payments directly from the investment accounts. All receipts and payments will be made via the Official Account with the exception of:
  - a) interest earned and paid directly into investment accounts
  - b) funds deposited by DET directly in the High Yield Investment Account
  - c) Schools with Australian Taxation Office endorsement for Deductible Gift Recipient status to operate a gift deductible trust fund (e.g. school library or building fund).
- If required prior to the next School Council meeting, the Principal or Assistant Principal/s, may authorise the Business Manager to transfer funds from the High Yield Account to the Official Account, according to school needs.

**Evaluation:**

School funds are invested prudently and have maximised the accumulation of funds to support school programs while not compromising the school cash flow.

This policy shall be evaluated as part of the school's cyclic review process.

**References:**

[DET Schools Investment Policy and Guidelines February 2015](#)