



INVESTMENT POLICY

Rationale:

School Council has the responsibility to manage school funds and in doing so, has a responsibility to invest funds in a manner that generates the maximum interest revenue with institutions that represent low risk. Government cash grant and locally raised funds are monitored monthly by the Finance Subcommittee and excess funds will be identified and invested to generate interest for the school.

Aims:

- To ensure maximum interest returns on low-risk investments.
- To ensure that the cash flow needs of the school are not compromised by the investment of funds into inaccessible accounts.
- All invested funds must be targeted for specific purposes.

Implementation:

- All grants and other payments from DET are paid into our school's individual 'at call' High Yield Investment Account.
- These funds, plus locally raised funds, are then transferred into the school's Official Account on a needs basis.
- School Council must consider whether or not it should leave excess funds in the High Yield Investment Account, or seek other investment opportunities. The Finance subcommittee of School Council will monitor and make recommendations regarding investment of targeted funds to School Council.
- 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.
- When considering investment opportunities, School Council should apply the 'prudent investor test' and ensure that funds are only invested with institutions that are prudently sound and secure, professionally managed, and have strong financial status in reserves, liquidity and profitably.
- All investments will be made in the name of School Council and be reported through Cases21.
- The cash flow requirements of the school must be monitored to ensure that there are sufficient funds available to meet commitments.
- School Council must now deposit money directly into, or make payments directly from an investment account. All receipts and payments must be made via the Official Account with the exception of interest earned and paid directly into an investment account, funds deposited by DET directly into the High Yield Investment Account, and schools with ATO endorsement to operate a gift deductible trust fund (e.g. school library or building fund).

Reference:

DET High Yield Investment Account Documentation -

<http://www.education.vic.gov.au/school/principals/finance/Pages/invest.aspx>

Evaluation:

This policy, plus investment levels, investment terms and types of investments are required to be formally minuted and reviewed by School Council regularly.

This policy was last ratified by School Council in....

February 2017