PRINCE REGENT

STREET TRUST

Treasury Management Policy

Policy Reviewed and Adopted by Board of Trustees: **December 2020**
Version
Date of Next Review: **December 2022**
Responsible Officer:

Introduction
Treasury Management is defined as: -

- the management of the Academy Trust's cash flows, banking and investment transactions,
- the management of the risks associated with these activities
- the pursuit of optimal returns consistent with those risks

The objectives of this policy are to ensure that the Academy Trust: -

- maintains sufficient cash balances in its current account to meet its day to day commitments;
- invests surplus cash to earn an acceptable rate of return without undue risk;
- Complies with the Academies Financial Handbook and ensures that security of funds takes precedence over revenue maximisation;
- considers spreading risk between differing institutions to reduce risk.

Responsibility

The Headteacher and Board of Trustees have overall responsibility for the security and management of funds. The day to day management of the treasury function is controlled by the Finance Partner The Finance Partner will liaise with the CEO and Board of Trustees in relation to investment decisions.

Cash Flow Forecasts

The Finance Partner will prepare and present regular 12 months rolling cash flows to the Board of Trustees to identify expected cash balances throughout the year for investment opportunities and to provide early warning of low cash balances.

Borrowing

The Academy Trust is not permitted borrow without prior permission of the Secretary of State.

Deposits

The Academy Trust will operate an interest bearing current account with a bank approved by the Board of Trustees currently Lloyds and maintain sufficient balances to ensure there are adequate liquid funds to cover all immediate and forthcoming financial commitments, including maintaining a sufficient contingency for unexpected payments.

Monies surplus to the working requirements shall be invested in low risk deposit accounts or in term deposits in regulated institutions.

The Academy Trust will not take out any long term deposits until reliable cash

flow pattern has been established, monies will only be paid into term deposits not exceeding six months.

The Academy Trust will only deposit funds with bodies protected by the Financial Services Compensation Scheme.

Limits and Authority

The Board of Trustees reserves the powers to:

- Give prior approval to the opening of new bank current accounts;
- Give prior approval to any bank deposit with a maturity date exceeding six months;
- Appoint a financial expert to advise on investments.

The Board of Trustees delegates authority to the CEO to place deposits in the Academy Trust's name, at approved institutions, subject to the agreed limits within this policy. No deposits will be placed without prior agreement with the Principal or other signatory subject to the relevant limits.

Authorised bank signatories of the Academy Trust are set out in the Trust's Finance Policy.

Register of Deposits

The Finance Partner will maintain a register of all deposits/investments held which will record

- Institution with which deposit placed
- Date deposit placed
- Amount deposited
- Date of maturity
- Amount returned
- Rate of interest
- Interest earned

Monitoring, evaluation and review

The Finance Partner will present the Register of Deposits to the Board of Trustees on an annual basis.

Periodically (at least annually) the Finance Partner will review interest rates and compare these with investment opportunities through other institutions.

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