



# Treasury Management Policy

Approved: May 2024

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## Introduction

Treasury Management is defined as: -

- the management of the Academy'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: -

- 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
- consider spreading risk between differing types of investment and institutions to reduce credit risk

## Responsibility

The Chief Executive Officer (CEO) 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 Director of Business and Finance. The Trust Business Manager will liaise with the Director of Business and Finance, CEO and Board of Trustees in relation to investment decisions.

## Cash Flow Forecasts

The Director of Business and Finance will present monthly cash flow reports to the Trustees and as part of monthly financial management reporting to identify expected cash balances throughout the year for investment opportunities and to provide early warning of low cash balances.

## Borrowing

The Academy is not permitted to borrow without the prior permission of the Secretary of State. This includes the use of credit cards, which must be paid off monthly by direct debit to avoid conflict with this restriction.

## **Investments**

The Academy will operate an interest bearing current account with a bank approved by the Board of Trustees 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 (see Reserves and Investments policies).

Monies surplus to the working requirements shall be invested in line with the criteria set out in the Reserves and Investments policies.

## **Limits and Authority**

The Board of Trustees reserves the powers to:

- Give prior approval to the opening of new bank current accounts;
- Amend the list of approved institutions with whom the Academy will invest;
- Give prior approval to any bank deposit with a maturity date exceeding six months.

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

Authorised bank signatories of the Academy are set out in the Academy's Financial Regulations.

## **Register of Deposits**

The Business Manager 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
- Interest earned
- Rate of Interest

### **Monitoring, evaluation and review**

The Business Manager will present the Register of Deposits to Trustees on an annual basis. Periodically (at least annually) the Business Manager will review interest rates and compare these with investment opportunities through other institutions. This policy will be reviewed every two years.