

CASTLEMAINE NORTH PRIMARY SCHOOL

INVESTMENT POLICY

RATIONALE

The School Council has responsibility to ensure that school funds are managed, monitored and accounted for in accordance with the DET's Schools Investment Policy and Guidelines. This includes deciding if there is the opportunity to prudently invest surplus funds to generate interest revenue for the school whilst providing flexibility to meet the school's ongoing commitments.

AIMS

The aims of this policy are to:

1. Optimise earning on funds available to the School by investment of such funds.
2. Invest in prudently sound, professionally managed and secure investment institutions which have strong financial status in reserves, liquidity and profitability.

GUIDELINES

1. Only low risk investments are to be undertaken.
2. Cash flow of the school is to be such that cash in the Official Account is enough to meet commitments.
3. The term of any Investment should be considered carefully in conjunction with the school's cash flow, annual budgets and any major projects.
4. All Investment Accounts will be included in the CASES21 financial system (DET software).
5. Investments will be completed in CASES21, in accordance with DET policy – in particular :
 - a) No direct deposits into investment accounts except for interest earned on these accounts.
 - b) All monies will be receipted through Official Account.
 - c) No direct payments from the Investment Account will be paid.
 - d) Monies must be transferred to the Official Account for payments to be made.
6. When selecting an Investment institution consideration should be given to:
 - a) Ease of access to funds.
 - b) Terms and Conditions of the account.
 - c) School Council administrative procedures.
7. Monthly financial reports to the Finance Subcommittee and School Council will include details of all Investment Accounts including interest earned, Investment redemption dates and current balances.

IMPLEMENTATION

1. The School's main bank account is the School Council Official Account, which is used for the receipt of money provided from local and commonwealth government sources and locally raised funds such as essential education items contributions. Cash flow of the School is to be such that cash in the Official Account is enough to meet commitments.
2. The School has an "at call" High Yield Investment Account (HYIA) which is established by DET to allow the School to maximise interest revenue and to transfer funds from the HYIA to the Official Account at any time, and vice versa.
3. In accordance with DET guidelines, the School has also chosen to establish a Library fund which is a Deductible Gift Recipient fund approved by the Australian Taxation Office and able to receive direct deposits. The Library fund is not considered an investment account described below.

4. School funds which are surplus to the School's needs may be invested by the School Council only in banks or credit unions, which are regulated by the Australian Prudential Regulation Authority and are listed by APRA as an Authorised Deposit-taking Institution. The School may only invest with these institutions in cash management accounts, term deposit accounts, accepted or endorsed bills of exchange or negotiable, convertible or transferrable certificates of deposit.
5. The School Council must approve the investment of funds, or changes to investments and monitor investments for compliance with this policy.
6. All investment accounts must be recorded on CASES21 financial systems and the procedures for properly maintaining the accounts will be in accordance with DET policy. In particular, no direct deposits are to be made into investment accounts except for interest earned on those accounts. All monies will be receipted through the Official Account. No direct payments from investment accounts will be made. The monies must first be transferred into the Official Account.
7. Funds transferred between accounts must be ratified by the Principal.
8. On maturity of an investment, the School Council will review the cash requirements of the School and decide whether the funds are to be reinvested or utilised.
9. Investments will be recorded in an investment register which will be maintained by the Business Manager of the school. The investment register will contain: bank account (name and number), bank title, account type, interest rate %, investment date, maturity date, account balance, deposits and withdrawals. The register must be kept up to date with any changes to invested monies and regularly reconciled with bank statements and certificates.
10. The School will retain the following information: the School Council minutes containing approval of investment policy, approval of investments and details of changes to investment account particulars; the School's approved "Investment Policy"; the investment register; bank statements or certificates; and relevant CASES21 Finance reports.
11. The School Council will review and formally minute, the level of funds to be invested, the term of the investment(s) and the type of investment(s), with reference to the School's required cash flow during the year.

MONITORING/REPORTING RESPONSIBILITIES & REFERENCES

Internal Control Procedures in Victorian Government Schools

<http://www.education.vic.gov.au/management/financial>

Finance Manual for Victorian Government Schools

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

Schools Investment Policy & Guidelines

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

EVALUATION

This policy is to be reviewed annually by the Finance Committee and School Council.

This policy was ratified by School Council 2017

(Principal)

(President of School Council)

Date: February 2017

Review Cycle Date: February 2018