



Treasury Management Policy

Policy Code:	F14
Policy Start Date:	January 2024
Policy Review Date:	January 2025

1. Purpose

- 1.1 It is the purpose of this policy to ensure the stability of the Trust's financial and organisational operations, so that it has the ability to adjust quickly to changes in financial circumstances, such as large unbudgeted expenditure, cyclical maintenance and working capital.
- 1.2 The Treasury Management policy is required in order to ensure that the management of cash, banking and investment transactions are performed with regard to the risk appetite of the Trust and in compliance with the Academies Trust Handbook. However, regardless of the regulatory requirements, establishing good treasury management will protect the operations of the Trust and contribute to its smooth running, is good practice and forms part of its overall financial control and governance framework.

2. Scope

- 2.1 This document is to be used as a basis for setting out some principles that the Trust is recommended to adopt and presents a detailed policy that is approved by the Trust Board.

3. Responsibilities

- 3.1 The CEO and Trust Board have overall responsibility for the security and management of funds. The day-to-day management of the treasury function is controlled by the CFO. The CFO will liaise with the CEO, FE Committee and the Trust Board in relation to investment decisions.

4. Principles

- 4.1 This policy takes into account the following principles:
 - 4.1.1 the management of the Trust's cash flows, banking and investment transactions;
 - 4.1.2 the management of the risks associated with these activities;
 - 4.1.3 the pursuit of optimal returns consistent with those risks.
 - 4.1.4 The objectives of this policy are to ensure that the Trust:
 - 4.1.4.1 maintains sufficient cash balances in its current account to meet its day-to-day commitments;
 - 4.1.4.2 invests surplus cash to earn an acceptable rate of return without undue risk;
 - 4.1.4.3 complies with the Academies Trust Handbook and ensures that security of funds takes precedence over revenue maximisation;
 - 4.1.4.4 considers spreading risk between differing institutions to reduce risk.

5. Cash Flow Forecasts

- 5.1 The CFO will prepare and present regular 12 month rolling cash flows to the FE Committee and the Trust Board to identify expected cash balances throughout the year for investment opportunities and to provide early warning of low cash balances.

6. Borrowing

- 6.1 The Trust is not permitted to borrow without prior permission of the Secretary of State. Any requirements for borrowing will be highlighted to the FE Committee and the Trust

Community Inclusive Trust - **Treasury Management Policy**

Board to obtain prior approval before approaching the Education and Skills Funding Agency (ESFA) for information.

7. Deposits and Investments

- 7.1 The Trust will operate an interest-bearing current account with a bank approved by the Trust Board (currently Lloyds Bank) 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.
- 7.2 Where applicable, monies surplus to the working requirements shall be invested in low-risk deposit accounts or in term deposits in regulated institutions.
- 7.3 The Trust will not invest in property, equities or cryptocurrencies.
- 7.4 The Trust will only deposit funds with bodies protected by the Financial Services Compensation Scheme.
- 7.5 In line with the Academies Trust Handbook, the Board of Trustees may invest to further the Trust's charitable aims, but must ensure investment risk is properly managed. When considering an investment, the Board must:
- 7.5.1 act within its powers to invest as described in its Articles of Association;
 - 7.5.2 exercise care and skill in investment decisions, taking advice as appropriate from a professional adviser;
 - 7.5.3 ensure investment decisions are in the Trust's best interests;
 - 7.5.4 review the Trust's investments and this policy regularly.

The Board should follow the Charity Commission's guidance: CC14 Charities and investment matters: A guide for trustees. ESFA's approval must be obtained for novel, contentious and/or repercussive investments.

8. Limits and Authority

- 8.1 The Trust Board reserves the powers to:
- 8.1.1. Give prior approval to the opening of new bank current accounts;
 - 8.1.2. Give prior approval to any bank deposit with a maturity date exceeding six months;
 - 8.1.3. Appoint a financial expert to advise on investments as described in the Trust's Articles of Association.
- 8.2. The Trust Board delegates authority to the CFO to place deposits in the Community Inclusive Trust's name, at approved institutions (approved by the Trust Board as and when necessary), 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 Trust are set out in the Trust's Financial Operating Procedures Handbook.

9. Register of Deposits

- 9.1. The CFO will maintain a register of all deposits/investments held which will record:
- 9.1.1. Institution with which deposit placed.

- 9.1.2. Date deposit placed.
- 9.1.3. Amount deposited.
- 9.1.4. Date of maturity.
- 9.1.5. Amount returned.
- 9.1.6. Rate of interest.
- 9.1.7. Interest earned.

10. Monitoring, evaluation and review

- 10.1 The CFO will, where applicable, present the Register of Deposits to the FE Committee and Trust Board. Periodically (at least annually) where the Trust holds investments the CFO will review interest rates and compare these with investment opportunities through other institutions.

11. Academies Trust Handbook

- 11.1 Any employee as part of their roles and responsibilities that are referring to this document must also have an understanding and knowledge of the Academies Trust Handbook. If the Academies Trust Handbook differs from these procedures, please bring it to the attention of the Central Finance Team. The link to the Academies Trust Handbook is below:

https://assets.publishing.service.gov.uk/media/64a52424c531eb000c64fe78/Academy_Trust_Handbook_2023.pdf

12. References

- 12.1. CIT Financial Operating Procedures Handbook 2023.
- 12.2. CIT Articles of Association.

13. External References

- 13.1 Academies Trust Handbook 2023.

14. Amendments to the Document

- 14.1 This is the first iteration of this document and as such there are no amendments.
- 14.2 Academies Financial Handbook has been amended to Academies Trust Handbook as per the change to this title in 2022.
- 14.3 Changed FAE Committee to FE Committee from September 2023 and updated links for new Academies Trust Handbook 2023.