



Treasury Management Policy

Policy Code:	F14
Policy Start Date:	April 2026
Policy Review Date:	April 2027

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 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, DFE guidance on managing public money and Charity Commission guidance CC14. 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 Chief Executive Officer (CEO), acting as the Accounting Officer, 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 Chief Finance & Operations Officer (CFOO). The CFOO will liaise with the CEO, Finance & Estates Committee (FE) and the Trust Board in relation to investment decisions.

4. Principles

- 4.1. This policy considers 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 CFOO will prepare, maintain, 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 Board to obtain prior approval before approaching the Department for Education (DFE) 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. The Trust will also operate a Funding and Creaming Savings Account. A Funding and Creaming Savings Account (Sweeping Facility) is a bank account arrangement established with the Trust's approved banking provider that is linked to one or more operational current accounts. The purpose of this facility is to support effective cash-flow management by automatically transferring surplus balances from the main account(s) into a designated savings or deposit account ("creaming"), and transferring funds back when required to meet operational commitments ("funding" or "sweeping").
- 7.3. This arrangement enables the Trust to maximise interest earned on temporary surplus funds while ensuring that sufficient liquidity is maintained at all times to meet payroll, supplier payments, and other financial obligations.
- 7.4. Use of a Funding and Creaming Savings (Sweeping Facility) account must:
 - 7.4.1. Be approved in accordance with the Trust's Scheme of Delegation and Finance Policy
 - 7.4.2. Be held only with banks approved by the Trust Board
 - 7.4.3. Ensure that all swept funds remain under the control of the Trust
 - 7.4.4. Be monitored regularly by the CFOO
 - 7.4.5. Be operated in line with the Trust's Reserves Policy, and ESFA / DfE guidance on academy trust funds management
- 7.5. The facility is used solely for cash-management purposes and does not constitute borrowing, lending to third parties, or investment outside the limits permitted by the Trust's financial regulations.
- 7.6. Where applicable, monies surplus to the working requirements shall be invested in low-risk instant access deposit accounts or in term deposits in regulated institutions. Funds deposited in fixed term regulated institutions will be spread evenly across term durations ranging from three to twenty-four months to enable sufficient agility access to funds if required.
- 7.7. The Trust will not invest in property, equities, overseas institutions without UK regulation, derivatives, corporate bonds or cryptocurrencies.
- 7.8. The Trust will only deposit funds with bodies protected by the Financial Services Compensation Scheme.

Community Inclusive Trust - **Treasury Management Policy**

- 7.9. 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:
- 7.9.1. act within its powers to invest as described in its Articles of Association;
 - 7.9.2. exercise care and skill in investment decisions, taking advice as appropriate from a professional adviser;
 - 7.9.3. ensure investment decisions are in the Trust's best interests;
 - 7.9.4. review the Trust's investments and this policy regularly.
- 7.10. The Board should follow the Charity Commission's guidance: CC14 Charities and investment matters: A guide for trustees. DFE 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 twelve 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 CFOO 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 (see sections 9 and 10). 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. Liquidity Management Framework (Limits scheduling)

- 9.1. Minimum Operational Liquidity Requirement:
- 9.1.1. The Trust will maintain immediate access cash equivalent to at least one full month of operating expenditure. This will ensure:
 - 9.1.1.1. payroll and supplier commitments can be met,
 - 9.1.1.2. protection is maintained to buffer grant timing differences and capital expenditure volatility,
 - 9.1.1.3. off set against funding lag risk.
 - 9.1.2. Only surplus cash above one month's operating costs may be considered for short-term investment. This position will fluctuate based on cash flow forecasts.
 - 9.1.3. Investment Duration Controls:
 - 9.1.3.1. To ensure liquidity protection:
 - 9.1.3.1.1. Maximum standard fixed term: Twenty-Four months

Community Inclusive Trust - **Treasury Management Policy**

- 9.1.3.1.2. Investments between 12-24 months will not exceed 25% of the total invested in fixed term accounts.
- 9.1.3.1.3. 40% of investible surplus should always be accessible within 3 months.

10. Register of Deposits

10.1. The CFOO will maintain a register of all deposits/investments held which will record:

- 10.1.1. Institution with which deposit placed.
- 10.1.2. Date deposit placed.
- 10.1.3. Amount deposited.
- 10.1.4. Date of maturity.
- 10.1.5. Amount returned.
- 10.1.6. Rate of interest.
- 10.1.7. Interest earned.

11. Ethical Banking Considerations

11.1. The Trust will consider:

- 11.1.1. Responsible investment principles
- 11.1.2. Environmental and social governance (ESG) factors where practical
- 11.1.3. Avoidance of institutions with significant reputational or ethical risk
- 11.1.4. Ensuring that investment decisions do not conflict with charitable objectives.

12. Monitoring, evaluation and review

12.1. The CFOO will present an Annual Treasury Report to the FE Committee and Trust Board. The report will include:

- 12.1.1. Cash balances by institution
- 12.1.2. Investments held and maturity profile
- 12.1.3. Compliance with limits
- 12.1.4. Interest earned
- 12.1.5. Forecast liquidity position
- 12.1.6. Annual accounts will disclose total investment income.

12.2. Where the Trust holds investments, the CFOO will periodically review interest rates and compare these with other institutions with a view to maximising yield where possible.

12.3. This policy will be reviewed annually or sooner if:

- 12.3.1. The Academy Trust Handbook updates
- 12.3.2. Material reserve changes
- 12.3.3. Significant financial expansion occurs
- 12.3.4. Market volatility occurs

13. Academies Trust Handbook

13.1. 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

Community Inclusive Trust - **Treasury Management Policy**

Handbook. If the Academies Trust Handbook differs from these procedures, please bring it to the attention of the Central Finance Team.

14. References

- 14.1. CIT Financial Operating Procedures Handbook 2025-26.
- 14.2. CIT Articles of Association.

15. External References

- 15.1. Academies Trust Handbook 2025