

	<h2>Investment Policy</h2>	<p><b>Endorsed by School Council:</b></p> <p style="text-align: right;"><b>May 2002</b></p> <p>Developed: October 2017</p>
<p>Information: 02 6076 1566</p> <p>Manager: Business Manager</p>	<p>DEECD Schools Reference Guide: 7.8 &amp; 7.9, Circular S296-2008 School Investment Policy Guidelines</p> <p><u>Associated Processes:</u> Accountability, Budgeting (Previous college policy – 435 Investment Policy)</p>	<p>Next Review: October 2018</p> <p style="text-align: right;">Issue No: 1.5</p>

**Rationale:**

This policy is to identify the school’s investment goals, risk profile and cash flow requirements, then set general guidelines on how the school is to invest funds. The ultimate investment goal of the college is to provide the maximum funds for the future operations and development of the college.

Specifically the goals of investment are to manage and generate funds to:

- Ensure the college is always able to pay its creditors’ accounts in a timely manner.
- Assist in providing for future building works and major asset purchases.
- Assist in meeting the costs of major repairs and maintenance works.
- Provide a steady income stream to assist in the provision of programs.
- Enable the school to make best use of special funding opportunities.
- Maximise the return on any surplus cash that may be held by the school from time to time.

The cash needs of the school are mixed. The school has been identified with having three types of cash flow needs, as summarised below:

- At Call - short term investment of funds now takes place through the High Yield Investment Account with Westpac. All college funds are initially placed in this account by the DET.
- 1-6 month investments - for meeting unexpected major expenses or funding details.
- 6 months or more - for allowing for capital works or major asset purchases budgeted for on an annual basis.

**Implementation Guidelines:**

School Council is obliged to meet the ‘prudent investor test’ under the Trustee Act. Accordingly, the school’s risk profile is assessed as low risk/low aggressive. This requires that the investment bodies have the following characteristics:

- prudentially sound and secure
- professionally managed
- have strong financial status in its reserves, liquidity and profitability.

Based on this the following guidelines are applicable:

1. Types: High Yield Investment Account

Use: to be used to invest surplus funds from the school’s operating account.

Redeemable through the transfer of funds to the college operating account.

Excess amounts of short term investments to be transferred to medium term investments as they mature providing the interest rate is competitive with short term rates.

2. Types: High Yield Investment Account. At call cash management accounts, savings accounts, 30 day bills.

Medium term (1-6 months) Investments

Use: to be used to invest unused repairs and maintenance funding, excess equipment upgrade funding and excess short term investments.

Redeemable as required to provide for major items of repair and maintenance, and/or equipment purchases. Interest to be used in the provision of maintenance and repairs programs.

Excess investment amounts to be identified on an annual basis and transferred to long term investment providing the interest rate is competitive with short term rates.

3. Types: Cash Management Accounts, term deposits, bank bills.

Long term (greater than 6 months) Investments

Use: to be used to invest surplus funds on a long term basis.

Redeemable as they mature to provide for capital works and major items of equipment purchases. Interest rolled over.

Types: Term deposits, managed funds, government bonds.

**Investment Objective:**

The College funds are to be invested in a low risk approach that achieves the best mix of interest, access and security.

**Authorisation of Investments and Transfers:**

All investments of the school must be reviewed for compliance with this policy and authorised by School Council. Any movements in authorised investments must have the endorsement of at least one member of the School Council. All transfers of funds are to be documented for provision to Finance Committee and to School Council.