



INVESTMENT POLICY

Purpose:

An investment policy is a requirement of the Department of Education and Training (DET) as a part of Internal Control procedures. It aims to provide clear and unequivocal guidelines to the school community, Principal and School Council as to how monies are to be invested on its behalf.

The Department of Education requires the School Council to adopt the Prudent Investor Test to the investment institution of their choice so that investment institutions are:

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

Guidelines:

- As a general rule, school funds will be invested in, but not limited to:
 - *Sandhurst Trustees Limited – Select Mortgage Common Fund.*
- Only low risk investments approved by the State or Federal Government are to be undertaken. The School Council can decide to invest in banks, building societies or credit unions. It can decide to invest in bank accepted or endorsed bills of exchange or in negotiable, convertible or transferable certificates of deposit issued by the bank.
- Cash flow of the school is to be managed by the Principal/Business Manager such that cash in the official account is sufficient to meet commitments.
The Official Account should aim to be maintained at a minimum of \$2,000 balance.
- The School Council must approve the investment of funds and the Principal must authorise the Business Manager to undertake such investment. All investments will be undertaken with reference to the school’s required cash flow during the year.
- All investment accounts will be included in the CASES21 financial system and the procedures for properly maintaining the accounts will be completed in accordance with Department of Education Training policy.
- Investment statements should be reconciled regularly to CASES21. These reconciliations should ensure that all investments are recorded and that interest is being received in accordance with the terms of the deposit. All monies will be receipted through the Official Account and no direct payments from the investment account will be made. Funds must first be transferred into the official account.
- The School Council will formally minute and regularly review all investment transfers.

Evaluation:

Procedures should be reviewed annually to confirm/enhance internal control and formally approved and minuted by the School Council at its first meeting for the year. Regular revision of associated costs should be undertaken by the finance committee.

Principal

(Date)

School Council President

(Date)

School Council ratified this policy on 20th February 2018
Review Date: February 2019