



St Thérèse of Lisieux Catholic Multi Academy Trust

Investment Policy

September 2021

Audience:	Central Team and all other CMAT employees
Approved:	Board – 19/10/2021
Policy Owner:	James McGeachie – Chief Executive Officer
Policy Model:	Compliance – all CMAT academies use this policy
Review:	Annually
Version Number:	2.0 (September 2021)

“Trust, faith and love can accomplish all things for our whole community.”

St Thérèse of Lisieux

Scope of this policy

This policy applies to all trustees, governors, and employees of St Thérèse of Lisieux Catholic Multi Academy Trust (“The Trust”). The term The Trust is taken to mean The Trust and all its constituent academies.

Objective of this policy

The objectives of this policy are:

- To ensure that funds which any academy within The Trust does not immediately need to cover anticipated expenditure are invested in such a way as to maximise the academies’ income with no or minimal risk;
- To invest ethically in accordance with the ethos of The Trust; and
- To ensure compliance with legal requirements relating to investments.

Policies and procedures implemented by the Trust are there to control the organisation’s exposure to risks in line with the Risk Policy and those identified within the risk register. All staff should be made aware of this and all policies of the Trust and the procedures in place including any updates issued from time to time. Should staff have any queries relating to this or any other policy or procedure they should write to the Trust’s Governance Manager who will ensure adequate training and guidance is provided.

Ownership of this policy

This policy is owned by The Trust’s Finance, Compliance & Estates Committee. Each academy will adopt this policy.

Monitoring of this policy

The Finance, Compliance & Estates Committee will monitor compliance with this policy.

Relevant legislation

The Charities (Protection and Social Investment) Act 2016

The Trustee Act 2000

Financial Services and Markets Act (FSMA) 2000

This policy is a requirement of the Academies Trust Handbook.

Related policies/documents

Financial Procedures Manual

Risk Management Policy

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Policy details

1 Policy Statement

- 1.1 Our intention will always be to spend the public funds with which we are entrusted for the direct educational benefit of students as soon as is prudent. We do not consider the investment of surplus funds as a primary activity, rather it is the result of good stewardship as and when circumstances allow.
- 1.2 The Trust, in consultation with each academy, will construct such budgets and cashflow forecasts as are required by legislation to ensure the viability and sustainability of the activities of The Trust. From time to time, operational and strategic decisions related to the education of students will result in substantial cash balances at the bank over a sustained period. These periods are identified by the Finance Director as part of normal forecasting activity and may trigger The Trust making an investment.
- 1.3 Prior to investing funds the Finance Director will review the accuracy of cashflow predictions and the amount/time period of the investment to ensure that it will not compromise the viability and sustainability of the activities of The Trust.
- 1.4 In making decisions regarding where and how any surplus funds should be invested, due regard will be given to the risk that the return on investments is not being maximised and the risk that trustees are not acting in accordance with their Investment Policy.
- 1.5 The Trust will invest to support its operational effectiveness in the short term.

2 Roles and Responsibilities

- 2.1 The Trust Board:** The charitable funds of The Trust are derived from direct government and local authority grants and these funds are defined as restricted. Additional charitable funds are generated through the operational nature of The Trust's work, such as providing education, training and development; these funds are defined as unrestricted. The trustee of these funds is St Thérèse of Lisieux Catholic Multi Academy Trust.
- 2.2 Finance, Compliance & Estates Committee:** The Finance, Compliance & Estates Committee is responsible for monitoring compliance with this policy.
- 2.3 Finance Director:** The Finance Director is responsible for determining the levels of investment and time periods and for ensuring that this policy is followed for all investments held. The Finance Director is authorised to withdraw and deposit funds from and into cash deposits according to the agreed authorisations. The Finance Director will report to the Finance, Compliance & Estates Committee on the performance of all investments.

3 Investment Principles

- 3.1 Where practical the funds will be invested in tranches in line with limits set under the Financial Services Compensation Scheme (currently up to £85,000).
- 3.2 Consideration will be given to investing each tranche in a different authorised financial institution.
- 3.3 Investments in institutions other than the agreed bank will require prior approval of The Trust.
- 3.4 Investment will only be permitted in those institutions approved by the Financial Conduct Authority or Bank of England Prudential Regulation Authority as detailed on the Financial Services Register - <https://register.fca.org.uk/>
- 3.4 Reinvestment is automatically undertaken for the principal and interest unless funds are required for anticipated expenditure.

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4 Ethical Investment

4.1 The Trust is underpinned and supported by ethical values. However, The Trust is mindful of its underlying principle to further the purpose of The Trust (provision of education); that purpose will ordinarily be best served by seeking the maximum return consistent with commercial prudence. Due regard will be given to the ethical values of the investment and a combination of positive and negative criteria will influence the investment decision making process.

4.2 *Positive Criteria:*

- responsible employment practices;
- best corporate Governance practice;
- conscientiousness with regard to human rights;
- sustainable environmental practice;
- sensitivity towards the communities in which the business operates.

4.3 *Negative Criteria* - The Trust has given due consideration to the guidance issued by the Charities Commission and will not investment in the following types of organisation:

- any organisation that contravenes any guidance issued under canon law;
- any organisation that is directly involved in indiscriminate weaponry;
- any organisation that produces pornography;
- any organisation where their principal business activity or focus is tobacco, alcoholic drink, gambling, or weekly collected home credit.

5 External Monitoring

5.1 The Trust's annual report and financial statements will describe the investment policy used to select The Trust's investments as well as reporting on the performance of investments. The external auditor will report on compliance with this policy.

6 Review

6.1 This policy will be reviewed annually.

Supporting Documents

Academies Trust Handbook

Charities and Investment Matters: A guide for trustees (CC14)

<https://www.gov.uk/government/publications/charities-and-investment-matters-a-guide-for-trustees-cc14>

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