

# policy INVESTMENT

## RATIONALE

School Council has a responsibility to manage school funds and in doing so, has a responsibility to invest excess funds in a manner that generates the maximum interest revenue with institutions that meet Department of Education & Early Childhood Development (DEECD) guidelines.

## AIMS

- To ensure maximum interest returns on low-risk investments.
- To ensure the cash-flow needs of the school are not compromised by the investment of funds into inaccessible accounts.

## IMPLEMENTATION

- All grants and other payments from DEECD are paid into each school's individual 'at call' High Yield Investment Account.
- These funds, plus locally raised funds, are then transferred into the school's Official Account on a needs basis.
- School Council must consider whether or not it should leave excess funds in the High Yield Investment Account, or seek other investment opportunities. The Finance sub-committee of School Council will monitor and make recommendations regarding investment of excess funds to School Council.
- School Council must maintain a manual Investment Register for all investments other than the High Yield Investment Account. The register will detail date of lodgement, investment institution, account number, amount invested, and terms of investment including interest rate, maturity date and interest earned.
- School funds are only invested with financial institutions (specifically Banks and Credit Unions), which are regulated by the Australian Prudential Regulation Authority (APRA) and are listed by them as Authorised Deposit taking Institutions (ADIs).
- All investment and changes to investments must be approved and minuted by School Council, and authorised by the Principal and a School Council delegate. The 'roll over' of existing investments is to be reported to School Council.
- All investments will be made in the name of the School Council and be reported through CASES21.
- The cash-flow requirements of the school must be monitored to ensure that there are sufficient funds available to meet commitments.
- School Council must not deposit money directly into, or make payments directly from an investment account. All receipts and payments must be made via the Official Account with the exception of interest earned and paid directly into an investment account, funds deposited by DEECD directly into the High Yield Investment Account, and schools with ATO endorsement to operate a gift deductible trust fund (for example, a school library or building fund).

## EVALUATION

This policy, plus investment levels, investment terms and types of investments are required to be formally minuted and reviewed by School Council annually.

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