

## Investment Policy 2016

**Purpose:** to ensure the correct steps are taken to when investing funds on behalf of Melton Primary School.

## Responsibilities:

Melton Primary School Council will adopt the following policy to invest school funds.

In order to protect our investments the concept of a "Prudent Investor Trust" will be applied.

As a Prudent Investor, this School Council will need to satisfy itself that the investments are made with institutions which are:

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

## School Council Responsibilities:

School Councils have responsibility for monitoring school funds and deciding if there is the opportunity to invest surplus funds to generate interest revenue for the school.

Due to the risk and complexity of some investments, schools should invest with institutions having a low risk.

When funds are invested, schools should ensure that the maturity profile of their deposits is appropriate to meet the cash flow requirements as mentioned above.

## Process:

1: School Council should formally minute (prior to the investment of funds) and regularly review investments which cover the following matters:

- the level of funds to be invested,
- the term of the investment/s,
- the type of investment/s, with reference to the school's required cash flow during the year.

2: School Councils should monitor investments for compliance with their policy.

- 3: All investments, or changes to investments, should be approved by School Council and authorized by the Principal and a School Council delegate.
- 4: As a guide schools are able to invest as follows:
  - Depositing funds in any credit union, bank or building society,
  - In bank accepted or endorsed bills of exchange,
  - In negotiable, convertible or transferable certificates of deposit issued by a bank.

### Treatment of Investments:

- 1: All official investment accounts should be in the name of the School Council and must be included on CASES Finance. The standard procedure for properly maintaining such accounts is:

*No Direct Payments from Investment Accounts*

Schools should not make payments to creditors directly from investment accounts. All payments must be made from the Official Account. To redeem funds, schools complete an investment transfer to shift the funds from the investment account into the Official Account.

The only exception to the above procedure is where the investment account is approved by the Australian Taxation Office and the donations are tax deductible for the donor,  
eg. Library Building Fund.

- 2: Investments held are to be recorded in an Investment Register. The following details should be recorded:
  - Date of lodgment,
  - With whom invested,
  - Terms of investment: period, percentage rate and maturity date,
  - Amount invested.

Ratified at school council on 17<sup>th</sup> March 2016.