

## **1. RATIONALE**

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

## **2. AIMS**

2.1 DET requires the School Council to adopt the Prudent Investor guide to the investment institution of their choice as follows:

2.1.1 Prudentially sound and secure

2.1.2 Professionally managed

2.1.3 Has strong financial status in its reserves' liquidity and profitability.

## **3. IMPLEMENTATION**

3.1 Only low risk investments are to be undertaken.

3.2 Cash flow of the school is to be such that cash in the official account is enough to meet commitments.

3.3 The School Council must approve the investment of funds and the Principal must authorise the investment.

3.4 The Investment Account will be monitored each month by the Finance Committee.

3.5 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 DET policy. In particular, no direct deposits will be made into investment accounts except for interest earned on those accounts. All monies will be receipted through the official account. No direct payments from the investment account will be made. The monies must first be transferred into the official account.

3.6 Investments will be manually recorded in an Investment Register maintained by the Business Manager of the school. The Register will contain:

- Date of lodgement
- Name of institution
- Terms of investment period, percentage rate and maturity date
- Amount invested.

3.7 The School Council can decide to invest in banks, building societies or credit unions. It can invest in bank accepted or endorsed bills of exchange or in negotiable convertible or transferable certificates of deposit issued by the bank.

## **4. EVALUATION**

This policy will be reviewed annually.