



# PATTERSON LAKES PRIMARY SCHOOL

No. 5190

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## INVESTMENT POLICY

### RATIONALE

The Patterson Lakes Primary School Council has a responsibility to manage school funds and in doing so, has a responsibility to invest funds in a manner that generates the maximum interest revenue with institutions that represent low risk.

### 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.
- All returns on investment must be targeted for specific purposes.

### IMPLEMENTATION

- All grants and other payments from the Department of Education are paid into the school's individual 'at call' High Yield Investment Account (HYIA). These funds, plus locally raised funds, are then transferred into the school's Official Account on a needs basis.
- Where The Patterson Lakes Primary School Council elect to operate investment accounts in addition of the HYIA, the following guidelines are in place to assist council in discharging their responsibilities as trustees of school funds.
  - School councils are required to ensure that 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 an Authorised Deposit – taking Institution (ADIs).
    - A full list of these financial institutions can be obtained from the APRA website at <http://www.apra.gov.au/adi>
    - Treasury Corporation of Victoria (TCV)
    - Victorian Funds Management Corporation (VFMC)
    - Schools are able to invest in the following types of products with these institutions:
      - Cash Management accounts
      - Term deposit accounts
      - Accepted or endorsed bills of exchange
      - Negotiable, convertible or transferrable certificates of deposit
  - The investment of school funds in shares or other financial produces, or with other financial institutions not specified above, is not allowed.
  - Schools should also be reminded of the compliance requirements in the Education and Training Reform Act 2006 Section 2.3.6 which states that a School Council does not have the power to form or become a member of a corporation.
  - Where schools retain separate investments it remains essential to ensure that the maturity profile of the deposits is appropriate to the school's needs and that the following internal controls are in place.
    - School Council approved investment policy
    - The Patterson Lakes School Council will formally minute, and review annually, an investment policy which details the:
      - The Patterson Lakes Primary School Council will ensure that a minimum level of 3 months working capital, for the purposes of operational expenditure, must be retained within a combination of the official account and HYIA at all times.
      - The Patterson Lakes Primary School Council will ensure that Term of the investment(s) at no point will reduce minimum available cash flow.

Last Updated: March 2016

- The Patterson Lakes Primary School Council will monitor investments for compliance with this policy.
- All investments, or changes to investments, will be approved by Patterson Lakes Primary School Council and authorised by the principal and a school council treasurer.
- All investment accounts will be:
  - Recorded on CASES21 Finance (and, except for the High Yield Investment Account)
  - Should be in the name of the School Council
  - Recorded in an Investment Register.
  - The school will not deposit money directly to, or make payments directly from, an investment account. All receipts and payments must go through the school's Official Account with investment funds transferred to/from the investment account.
- **Exceptions to this are:**
  - Interest earned are paid directly into the Official Account.
  - Funds deposited by the Department directly to the High Yield Investment Account
  - Schools with Australian Taxation Office endorsement for Deductible Gift Recipient status to operate a gift deductible trust fund (eg. School library or building fund).
- On maturity of an investment, the School Council finance committee should review the cash requirements of the school and make a recommendation to be minuted at school council for approval whether the funds are to be reinvested or utilised.
- Investment register
  - When utilising investments other than HYIA as the sole investment instrument, details of all other investments will be recorded in a manual investment register using headings such as:
    - Bank account (name and number)
    - Bank title
    - Account type
    - Interest rate %
    - Investment date
    - Maturity date
    - Account balance
    - Deposits
    - Withdrawals
- The Investment Register must be updated with any changes to invested monies and regularly reconciled with bank statements and certificates.
- Patterson Lakes Primary School Council will ensure that the following information in regards to investment of funds will be retained:
  - School council minutes containing approval of investment policy, approval of investments and details of changes to investment account particulars
  - The school's approved 'School Council Investment Policy'
  - Investment register
  - Bank statements or certificates
  - Relevant CASES21 Finance reports

## EVALUATION

This policy will be reviewed as part of the school's three-year review cycle.

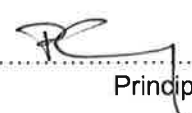
## CERTIFICATION

This policy was ratified at the School Council Meeting held at Patterson Lakes Primary School, March 2016.

Signed.....

  
School Council President

Signed.....

  
Principal