



ST.MARY'S RC
PRIMARY SCHOOL
WE PRAY, PLAY & RESPECT ALL

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Treasury & Cash Management Policy

1 May 2021

Prepared by
Date
To Be Reviewed

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Objectives

Treasury and cash management is defined as the management of the school's cash and cashflows, its banking arrangements and its investment and money market transactions. It requires the effective control of risks in relation to treasury activities and the pursuit of optimum performance consistent with those risks.

The objectives of our policy are:

- a) To ensure adequate, but not excessive, cash balances are held in our current account to cover day to day commitments
- b) To bank with an organisation on the Council's approved list for current accounts
- c) To invest surplus cash to earn an acceptable rate of interest to protect our cash balance against inflation
- d) To ensure that any funds invested are with banks and institutions which meet the minimum requirements in the Council's Treasury Management Strategy
- e) To spread risk between different institutions

Our investment priorities will be:

- a) Above All - Security – use high quality counterparties to minimise risk of capital loss
- b) Then - Liquidity – ensure cash is readily available when needed
- c) Finally – Yield – earn an acceptable rate consistent with inherent risks

Guidelines

Regular cashflow analysis will be prepared and monitored to ensure there are adequate liquid funds to meet current and future commitments.

On a monthly basis review the closing cash position when preparing the monthly return.

Surplus funds will be identified throughout the year via cashflow monitoring for investment purposes.

The school will act with reference to the guideline figures provided by the Council's Treasury Team when managing the balance held within its current account and the amount invested.

The school will maintain a Register of Deposits & Investments recording the institution with which a deposit is placed, date of deposit, amount, interest rate, date of maturity, amount returned and interest earned.

Borrowing

The school will not overdraw its current account.

The school may not borrow without written permission from both the Council and the Secretary of State.

The school will not offer any form of security to its bank.

Responsibility

The Headteacher and Governing Body have overall responsibility for the security and management of funds.

The day to day management of the treasury and cash management function is controlled by the Business Manager.

The Business Manager will liaise with the Headteacher and Governing Body when placing deposits in the school's name with approved institutions. No deposits will be placed without prior agreement with the Headteacher or other signatories subject to the schools bank mandate.

Authorised signatories are set out in the authorised signatory list forwarded to the Schools Finance Team.