

PARKHILL PRIMARY SCHOOL

POLICY: Investment Policy

PROGRAM LEADER: Finance Committee

DATE RATIFIED BY SCHOOL COUNCIL: February 2018



RATIONALE

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

DET requires the School Council to adopt prudent investment practices to the investment institution of their choice be ascertaining that:

- it is prudentially sound and secure
- it is professionally managed, and
- has strong financial stature in its reserves, liquidity and profitability.

AIMS

1. To comply with DET Financial guidelines in relation to school funds.

IMPLEMENTATION

- The School Council can decide to invest its funds with 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.
- Only low risk investments are to be undertaken.
- School Council will ensure that maximum return on money is achieved with the minimum of risk.
- Cash flow of the school is to be such that cash in the official cheque account is enough to meet commitments.
- The Business Manager and the Principal of the school, as School Council delegates, are to invest funds that they consider surplus to immediate requirements.
- The Business Manager and the Principal will maintain a plan to anticipate future needs and use appropriate investment strategies, eg immediate, short term, long term.
- The School Council must approve/ratify the investment of funds and the Principal must authorise the investment.
- The School Council Finance Sub-Committee will oversee the investment strategy.
- All investments, or changes to investments, should be approved by School Council and authorised by the Principal and a non-staff School Council delegate.
- All investment accounts will be included in the CASES21 financial system of the School and procedures for properly maintaining the accounts will be completed in accordance with DET policy and directives.
- In particular:
 - No direct deposits will be made into the investment accounts, except for the interest earned on those accounts, all monies will be receipted through the official account or High Yield Investment Account
 - No direct payments will be made from investment accounts - the monies must first be transferred in to the official account.
- Pending official documentation received following any investment and prior to entering such documentation on CASES21, investments will be manually recorded in an Investment Register maintained by the Business Manager. This register will contain:
 - date of lodgement
 - name of institution
 - terms of investment - period, percentage rate and maturity date
 - amount invested

EVALUATION

This policy will be reviewed annually and represent to School Council at the first meeting of each year.

APPENDICES

- Nil

REFERENCES

- DET - School Policy and Advisory Guide:
<http://www.education.vic.gov.au/school/principals/spag/Pages/azindex.aspx>
- DET School Financial Guidelines:
<http://www.education.vic.gov.au/school/principals/finance/pages/guidelines.aspx>
- Information Privacy Act 2000
[http://www.legislation.vic.gov.au/Domino/Web_Notes/LDMS/PubStatbook.nsf/f932b66241ecf1b7ca256e92000e23be/4BE13AE4A4C3973ECA256E5B00213F50/\\$FILE/00-098a.pdf](http://www.legislation.vic.gov.au/Domino/Web_Notes/LDMS/PubStatbook.nsf/f932b66241ecf1b7ca256e92000e23be/4BE13AE4A4C3973ECA256E5B00213F50/$FILE/00-098a.pdf)
- Education and Training Reform Regulations 2017
<http://www.education.vic.gov.au/Documents/about/department/legislation/ConsultationDraftEduTrainReformReg2017.pdf>
- Finance Manual for Victorian Government Schools, Financial Services Division, Department of Education and Training
<http://www.education.vic.gov.au/school/teachers/management/finance/Pages/guidelines.aspx>
- Internal Controls for Victorian Government Schools, Financial Services Division, Department of Education and Training
<http://www.education.vic.gov.au/Documents/school/principals/finance/Fin%20Internal%20Control%20document%20v3.2.pdf>