INVESTMENT POLICY

Purpose:
A formal investment policy will provide School Council with guidelines for making
decisions relating to the investment of funds and also a process for managing
associated risks.

Guidelines:
Only low risk investments are to be undertaken.

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

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

All investment accounts will be included in the CASES financial system and the
procedures for properly maintaining the accounts will be completed in
accordance with DET policy. In particular, no direct deposits 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.

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.

The maximum dollar amount per financial institution (other than those designated
by DET i.e. High Yield Account) will be $100,000 and the maximum length on
investment will be 180 days except if the school has receipted money for Special
Projects which have yet to be finalised.

Investment Objective:
It is the School Council’s objective to achieve a reasonable rate of return, at least
1% above the current CPI, without having to place the funds in any high risk
investments. The funds should be liquid enough to meet the everyday running
costs of the school.

Investment Strategy:
All investments, or changes to investments and withdrawals should be approved
or ratified by the School Council.

The current strategy is to keep the cheque account at a minimum balance
because we have a 24 hour access account in which we can easily transfer
funds over to the cheque account at 24 hour notice and yet earn a higher rate of
interest.
The surplus to the 24 hour access account is to be invested in Bank Bills or Term Deposits, depending on the current financial position of the school.

It is the School Council’s responsibility to maximize the interest revenue on surplus school funds, therefore there will be times when some surplus funds will be tied up for up to six months (180 days).

**Asset Allocation of School Funds:**
0002 School Official Account, Cheque Account, Bendigo Bank Toora
0001 High Yield Account, Westpac Bank – 24 hour Access Account

**Implementation:**
School Council formally documents an investment policy for the current year in regard to risk, interest rates, dollar limits and period of investment.

2009 opening balance of Westpac High Yield account is $226186.33

DEET requires an amount equivalent to a quarter of the cash grant to be maintained which equals $16,124.00.

Signatories to cheque account: Barbara Purvis, Kerry Corcoran and Chris Kemper. Two required per cheque.

Signatories to vouchers: Barbara Purvis, Dianne Walker, Heather Naylor & Deb Allott.

Non-signatory with permission to access account information: Dianne Walker.

This investment policy was presented and accepted at the **10th March 2009** School Council Meeting.

President……………………………..……… Principal………………………………

Deborah Allott Barbara Purvis