

WALLAN SECONDARY COLLEGE INVESTMENT POLICY

14 February 2017

PURPOSE:

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

BASIC BELIEFS:

- The College Council has the responsibility for monitoring school funds and, where an opportunity arises, investing surplus funds to generate interest revenue for the college.
- The College Council must regularly monitor the performance of all investments.

BROAD GUIDELINES:

- College Council must approve and formally minute the placement of funds before any investment takes place. It must regularly review;
 - the level of funds to be invested
 - the term of the investment/s
 - the type of investment/s, with reference to the college's required cash flow during the year.
- The Department of Education and Training requires the College Council to adopt the "Prudent Investor Test" to the investment institution of their choice.
- As a "Prudent Investor" the College Council must 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)

- The college must only 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 college will not invest school funds in shares or other financial products, or with other financial institutions not specified above.
- The cash flow requirements of the school will be monitored carefully by the Finance Sub-Committee to ensure that there are sufficient funds available to meet commitments.
- All investments, or changes to investments, must be approved by College Council and authorised by the Principal and a College Council delegate.
- The School Councils will formally minute, and review annually, the investment policy detailing the:
 - level of funds to be invested
 - term of the investment(s)
 - type of investment(s), with reference to the school's required cash flow during the year.
- The Principal/Business Manager may increase deposits in easily retrievable investment accounts when this action has prior College Council approval (from an ongoing basis for each calendar year).
- All investment accounts will be included in the CASES 21 Finance system and the procedures for properly maintaining the accounts will be completed in accordance with Department of Education and Training policy. In particular, no direct deposits will be made into investment accounts except for interest earned on those accounts ie. 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.
- If they exist, the Buildings Fund and the Library Trust can receive direct payments as they have the approval of the Australian Taxation Office.
- Investments will be electronically recorded in CASES 21 Finance. The information will include:

- Date of lodgement
 - Name of institution
 - Terms of investment: period, percentage rate and maturity date
 - Amount invested
- The Finance Sub-Committee will review the school's investments at each meeting (at least once per term). This review will be included in its written reports to allow College Council to monitor its investments.

BASIS OF DISCRETION:

- The College Council is responsible for determining the amount of funds to be invested, term of investment and the most appropriate financial institution to manage investments funds.

Policy Ratified by School Council on 14th February 2017.....

To be renewed on February 2018.....