

Moonee Ponds West Primary – Investment Policy (2016)

Purpose

The Moonee Ponds West School Council has a responsibility for monitoring school funds and in doing so, investing funds in order to achieve the best possible interest rate return on a secured basis whilst providing flexibility to meet the school's ongoing commitments.

Aims

- To monitor school funds and decide if there is an opportunity to invest funds to generate interest for the school.
- To ensure maximum interest returns on low-risk investments that comply with Department of Education and Training (the Department) guidelines.
- To ensure all financial decisions are supportive of the school's work to deliver high quality student learning, wellbeing and transition outcomes as documented in the school's strategic plan.

Guidelines for Action

1. School financial assets will only be invested with financial institutions that are regulated the Australian Prudential Regulation Authority following the Department's *Schools Investment Policy and Guidelines (December 2013)*.
<http://www.education.vic.gov.au/school/principals/finance/Pages/guidelines.aspx>
2. All grants from the Department are paid into the High Yield Investment Account (HYIA). The HYIA was established by the Department with Westpac to provide an attractive and competitive interest rate on the funds invested, whilst still retaining an 'at call' status. Schools can transfer funds from the HYIA into the Official Account at any time and vice versa. All payments for goods and services are made from the official account. All other revenue received by the school is paid into the Official Account with the exception of the interest from the HYIA. No account keeping fees or transaction charges are applied to the HYIA. The school operates a Library and Building Fund which are tax deductible funds.
3. Where the Moonee Ponds West School Council decides to operate investment accounts in addition to the HYIA, the following guidelines are in place to assist Council in discharging their responsibilities as trustees of school funds.
 - School funds will only be invested with financial institutions which are regulated by the Australian Prudential Regulation Authority and are listed by them as an Authorised Deposit – taking Institution.
 - School funds can only be invested in the following types of products:
cash management accounts, term deposit accounts, accepted or endorsed bills of exchange and negotiable, convertible or transferrable certificates of deposit.The investment of school funds in shares or other financial products, or with other financial institutions not specified above, is not allowed.
4. School Council shall formally approve, minute and review annually an investment policy.

All investments, or changes to investments shall be approved by School Council and authorised by the principal and a School Council delegate.
5. All investment accounts will be: recorded on CASES 21 Finance (and, except for the High Yield Account) should be in the name of the School Council and 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 and paid directly into an investment account, funds deposited by the Department directly into the HYIA, schools with Australian Taxation Office endorsement for Deductible Gift Recipient status to operate a gift deductible trust fund (e.g. library & building fund)

6. On maturity of an investment, the School Council should review the cash requirements of the school and decide whether the funds are to be reinvested or deposited back into the High Yield Account.
7. When the HYIA is not used as the sole investment instrument, details of all other investments will be recorded in a manual investment register using the following headings: bank account, bank title, account type, investment rate %, investment date, account balance, deposits and withdrawals. The investment register will be updated with and changes to invested monies and regularly reconciled with bank statements and certificates.
8. The school shall retain the following information in regards to the investment of funds: School Council minutes containing approval of investment policy, approval of investments and details of changes to investment account particulars, the schools approved Investment Policy, investment register, bank statements or certificates and relevant CASES 21 Finance reports.

Review of Investment Policy

The Investment Policy will be reviewed each year by School Council at the meeting following the completion of the annual School Council election process.