GEMBROOK PRIMARY SCHOOL
Investment of Funds

Rationale:
An Investment Policy is a requirement of the Department of Education & Early Childhood Development as part of Internal Control procedures.

School Council has the responsibility to manage school funds and in doing so, has a responsibility to invest excess funds to:

• ensure maximum interest returns on low-risk investments.
• ensure the cash flow needs of the school are not compromised by the investment of funds into inaccessible accounts.
• accumulate funds that can be used for the development of the school or to support its programs.

Implementation:
• All grants and other payments from the Department of Education & Early Childhood Development (DEECD) will be paid into the ‘at call’ High Yield Investment Account.

• These funds, plus locally raised funds, (eg: voluntary contributions, commission, fundraising and hiring of facilities), will be transferred into the school’s Official Account on a needs basis.

• School Council will decide whether or not it will leave excess funds in the High Yield Investment Account, or seek other investment opportunities.

• The Finance sub-committee of School Council will monitor and make recommendations to School Council regarding investment of excess funds.

School excess funds may be invested:
 a) by depositing funds in any credit union, bank or building society
 b) in bank accepted or endorsed bills of exchange
 c) in negotiable, convertible or transferable certificates of deposit issued by a bank

• School Council must maintain a manual Investment Register for all investments other than the High Yield Investment Account. The register will detail date of lodgement, investment institution, account number, amount invested, and terms of investment including interest rate, maturity date and interest earned, where appropriate.

• When considering investment opportunities, School Council will ensure that funds are only invested with institutions that are recognised as being:
 a) prudentially sound and secure
 b) professionally managed
 c) of strong financial status in reserves, liquidity and profitability

• All investments and changes to investments, must be approved and minuted by School Council, and authorised by the Principal and a nominated School Council delegate. This includes:
 a) ‘rollover’ of existing investments
 b) the level of funds invested

This policy was last reviewed in 2012
c) the term of investments

d) the type of investments in relation to the school’s cash flow needs

e) the Summary of Financial Commitment

• All investments will be made in the name of School Council and be reported through CASES 21.

• The cash-flow requirements of the school will be monitored to ensure that there are sufficient funds available to meet commitments.

• School Council will not deposit money directly into, or make payments directly from the investment accounts. All receipts and payments will be made via the Official Account with the exception of:
  a) interest earned and paid directly into investment accounts
  b) funds deposited by DEECD directly in the High Yield Investment Account

• If required prior to the next School Council meeting, the Principal or Assistant Principal/s, may authorise the Business Manager to transfer funds from the High Yield Account to the Official Account, according to school needs.

• The Investment Program will be reviewed annually in conjunction with the annual audit.

• As per DEECD guidelines, non-committed financial surplus should not be budgeted to fall below 20% of the DEECD annual cash grant, unless approved by the School Council.

**Evaluation:**

This policy will reviewed annually.