INVESTMENT AND RESERVES POLICY 2025-28

Approved by: Trustees ~ November 2025

Review Date: November 2028

Version 1.0

CLEEVE SCHOOL
AND SIXTH FORM CENTRE OF EXCELLENCE

INVESTMENT AND RESERVES POLICY

Investments
The purpose of the policy is to consider the management of the School funds and ensure that *money will only be placed with financial institutions who are considered to be "safe" having good credit ratings and in countries known to be stable.*

The School will only invest its money in organisations that are considered to be ethical, or socially responsible. This will ensure that the School does not invest in organisations whose activities we would not want to be associated with, such as one that uses child labour to manufacture its goods or a company contributing unnecessarily to climate change. Our investments will focus on working with organisations whose moral framework reflects our own moral stance.

The School will also consider the security arrangements of the organisation where funds are placed – that they have robust security procedures that would prevent unauthorised access to School funds. The School will also consider the costs of operating any investments accounts against the potential to earn interest on surplus funds.

This Investment Policy ensures that we will:

- Regularly monitor cash flow and current account balances to ensure immediate financial commitments can be met (payroll and payments runs), and that the current account has adequate balances to meet forthcoming commitments.
- Current account balance is reset to £10k at the end of each working day, with surplus / required funds being transferred to / from an interest bearing 'sweep' account.
- Place surplus funds in higher interest accounts, taking into account the accessibility of the funds.
- Review periodically, and at least twice annually, interest rates and compare with other ethical investment opportunities.
- Review periodically, and at least annually, the academy's current policy to only invest funds in risk free and immediately accessible deposit accounts.

When considering an investment the Board must:

- Act within its powers to invest as set out in its articles of association.
- Exercise care and skill in investment decisions, taking advice as appropriate from a professional adviser.
- Ensure that exposure to investment products is tightly controlled so that security of funds takes precedence over revenue maximisation.
- Ensure the investment decisions are in the best interests of the trust.

Reserves
The purpose of the Reserves Policy is to consider the maintenance of a minimum working Reserve, in order to minimise any financial risks facing the school, such as delays between spending and receipt of grants or unexpected emergencies.

This Reserves Policy ensures that we will:

- Regularly review the nature of income and expenditure streams and the need to match income with commitments.
- Maintain the appropriate level of available Reserves, currently approved by Trustees to be in the indicated range £500,000 to £1,000,000. In exceptional circumstances reserves may dip below this level. If this happens a statement to the Board of Trustees must be prepared for its approval. This should explain why the level is below the expected range and the strategy for remedying the situation.
- Consider the set aside of funds for significant projects that cannot be met by future income alone.