

Valkstone Primary School, No. 4778



VALKSTONE STREET, EAST BENTLEIGH 3165

Telephone: 9570 3986

Facsimile: 9579 4423

Homepage: www.valkstoneps.vic.edu.au

Email: valkstone.ps@edumail.vic.gov.au

ABN: 19 780 603 196

Address correspondence to P.O.Box 101, East Bentleigh 3165

INVESTMENT POLICY

BASIC BELIEF

An investment policy is a requirement of the DET as part of Internal Control procedures. It aims to give clear unequivocal guidelines to the school community, Principal and Council as to how monies are to be invested on its behalf. The DET requires the School Council to adopt the Prudent Investor guide to the institution as follows:

- Prudentially sound and secure
- Professionally managed
- Has strong financial status in its reserves, liquidity and profitability

2. GUIDELINES

2.1 To assist schools to identify the potential for investment of excess funds and to determine an appropriate cash reserve or “safety net”, the following resources are available:

- Summary of Financial Commitment Statement resulting from accumulated funds and budgetary considerations in line with school strategic plan priorities
- Cash Reserve Benchmark is considered a safe reserve to allow schools to meet budget variations and commitments that may occur

Both of these documents can be accessed on the School Finance website at

<http://www.education.vic.gov.au/school/principals/finance/Pages/guidelines.aspx>

2.2 Only low risk investments are to be undertaken.

2.3 Cashflow of the school is to be such that cash in the Official Account and the High Yield Account is enough to meet commitments.

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

2.5 All investment accounts will be included in the CASES finance system and the procedures for properly maintaining the accounts will be completed in accordance with DET policy. This relates in particular to:

- (a) No direct deposits into investment accounts except for interest earned on those accounts.
- (b) All monies will be receipted through the Official Account.
- (c) No direct payments from an investment account will be made. The monies must first be transferred into the Official Account.

2.6 Investments will be manually or electronically recorded in an Investment Register maintained by the Bursar of the school. The Register will contain:

- Date of lodgement.
- Name of institution.
- Terms of investment – period, percentage and maturity date.
- Amount invested.

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 transferred certificates of deposit issued by the bank.

The onus is on the school council, as trustee of school funds, to ensure that money is adequately protected by placing it in secure investments. All investments, or changes to investments, should be approved by school council and authorised by the principal and a school council delegate.

3. Evaluation

- Regular monitoring of bank accounts through the Finance subcommittee of the School Council.
- Monitoring interest rates and the amount of interest that the Building Fund attracts.

Ratified 2016:
Reviewed annually.