

CASH FLOW & MANAGEMENT OF DEPOSITS POLICY

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CASH FLOW & MANAGEMENT OF DEPOSITS POLICY

Principles

Carmel Education Trust aims to manage its cash balances to provide for the day-to-day working of the Trust, whilst protecting the real long-term value of any surplus cash balances against inflation. In addition, the Trust aims to invest surplus cash funds to optimise returns, whilst ensuring the instruments are such that there is no risk to the loss of these cash funds.

Purposes

- To ensure adequate cash balances are maintained to cover day-to-day working and capital requirements
- To ensure there is no risk of loss in the capital value of any cash funds invested
- To protect the capital value of any funds against inflation
- To optimise returns on invested funds

Guidelines

Monthly cash flows are to be prepared and monitored to ensure there are adequate liquid funds to meet all payroll related commitments and outstanding supply creditors which are due for payment.

Where the cash flow identifies a base level of cash funds that will be surplus to requirements these may be invested only in the following:

- Interest bearing deposit accounts
- Fixed term deposits
- UK Registered Banks
- Banks registered with the Financial Services Compensation Scheme

In accordance with the Academies Financial Management Handbook and the Charities Commission, Statement of Recommended Practice (SORP) all investments must be recorded in sufficient detail to identify the investment and to enable the current market value to be calculated. The information required will normally be the date of purchase, the cost and a description of the investment

Periodically (at least every 3 months) the Business Manager will review the interest rates being achieved and will compare with other investment opportunities that comply with the parameters of this policy.

Details of all investments will be reported to the Resources Committee on an annual basis.