

## Treasury Management – Investment of Funds - Procedures

### 1.1 Treasury Management

If the majority of schools are able to invest surplus funds, we the Trust will then be able to place all funds centrally for a longer period which will give a much improved higher interest rate return from the investment. The minimum period of investment is one month. Schools can choose how long to invest funds, a longer period will give a higher interest rate.

The amount schools invest will be controlled and the interest earned on the amount will be paid back to the school at the end of the maturity period unless funds are rolled over for another period.

With the help from their ALT Finance Manager - a defined and well managed cash flow programme will be put in place to see what excess funds can be invested, ensuring enough reserves are available to cover expenses during period of investment.

*Please note that interest rates are not available until the day of investment.*

Once a decision has been made to invest funds the following procedures apply:

1. Completion of the Investment Form below is to be made by the BSM/FL, signed by the HT and emailed to ALT Finance Manager, Lucy Wedderburn [lucy.wedderburn@activelearningtrust.org](mailto:lucy.wedderburn@activelearningtrust.org)
2. Funds are to be sent via bank transfer to ALT Investment Account No. 40127884, Sort Code 201719
3. On receipt the funds are immediately invested onto the money market.
4. ALT FM to notify schools of the interest rate given at time of investment, and approximate interest to be earned.
4. Shortly before the expiration of the maturity of the investment, ALT FM will consult schools to ascertain decision upon maturity. Schools can choose to roll over funds into another period of investment or choose to return full or part of funds.

### **Posting your transactions into PSF:**

#### **Bank payment to ALT for investment:**

CR (bank account)

DR (intercompany account)

*This will show funds on the balance sheet.*

#### **ALT payment to schools of interest earned and/or returned maturity:**

DR (bank account)

CR (intercompany account)

CR (bank interest) *income code*

# The Active Learning Trust

## REQUEST TO ALT Central Office INVESTMENT OF FUNDS

Name of School:

Today's Date:

Amount of surplus funds to be invested: £

Period of Investment:  month/s

*(choose from the following)*

- 1 month (ensure you retain ONE MONTHS PAYROLL costs)
- 2 months (ensure you retain TWO MONTHS PAYROLL costs)
- 3 months (ensure you retain THREE MONTHS PAYROLL costs)

I agree to invest the above funds for the stated period of specified month/s.

We have calculated our cashflow commitments for this period and ensure that all anticipated costs will be managed. In the event of needing to access funds prior to the maturity of the deposit we understand that a penalty will be incurred.

Name of BSM/FL:

Signed BSM/FL:

Name of Head Teacher:

Signed Head Teacher :

Date:

**Please send completed and signed form to Lucy Wedderburn.**

**You can now arrange for a bank transfer of the above amount to the ALT Investment Account.**

**Details are: Account Number 40127884 Sort Code 20 17 19**

**Please send email confirmation to Lucy Wedderburn when this has been actioned.**

**For accounting purposes:**

Your journal should be coded as follows into PSF.

CR (bank account XXX9400)

DR (inter company code XXX9515)