Finance Policy
(including procedure for Procurement, Reserves, Investment)

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Finance Policy

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Finance Policy

1. Introduction

The Trustees of Veritas MAT are committed to providing sound financial controls, to achieving value for money and to being worthy custodians of public funds. To achieve these aims the Executive Group and Trustees have drawn up this finance policy to provide the guiding principles for which all Trustees and staff will operate within.

This policy has been drawn up with reference to the Academy Trust Handbook and Accounts Direction and applies to:

Veritas Multi Academy Trust

Warden House Primary School

Pilgrims' Way Primary School Mundella Primary School and any school

joining the Trust part way through this policy review period.

For clarity, the CEO holds the appointed responsibility of Accounting Officer and the Trust Business Manager holds the appointed responsibility of Chief Financial Officer.

2. Governance & Principles

Veritas MAT Finance Policy will adhere to the following principles:

- The responsibilities of the Trust Board, Local Academy Committees (LAC), the Executive Group and staff will be clearly defined and limits of delegated authority established, where applicable.
- The Trust will apply the four best value principles in its management and allocation of resources, being:
  Challenge - challenging if our performance is high enough and why and how a service is being provided

  Consult - seeking the views of staff and parents about the services we provide
  Compare - comparing our performance with that of other academies/schools
  Compete - demonstrating how we secure economic, efficient and effective services

- The Trust will establish sound internal financial controls, based on the requirements of the Academy Trust Handbook and Accounts Direction, to ensure the reliability and accuracy of its financial transactions.
- The budget will reflect the Trust/schools' prioritised educational objectives through its links to the Trust & Schools Priority Improvement Plans, which indicates the resource implications of each priority. Integrated Curriculum-led Financial Planning will inform the budget setting process.
- The budget will be subject to effective monitoring, allowing the Trustees, LAC Governors (Reportable Pupil related grants (Sports Premium Grant, Pupil Premium etc), Trust Executive and staff to maintain financial control by reviewing the current position and taking any remedial action necessary.
- The Trust will develop a framework that champions a proactive risk management culture and will be adequately insured against exposure to risk.
- The Trust will support the Business Team in developing Fraud Prevention measures
- The Trust will ensure that:
    - Purchasing arrangements achieve value for money ○ There are sound procedures for the administration of personnel matters ○ There are sound procedures for the administration of payroll matters
    - Stocks, stores and assets are recorded and adequately safeguarded against loss or theft
    - All income due is identified and all collections receipted, recorded and banked promptly
    - The operation of the bank account and the reconciliation of bank balances with the accounting records are properly controlled
    - The use of petty cash is strictly controlled ○ The use of a purchase card is strictly controlled with limits set for expenditure and restrictions on use (refer to section 3.8)
    - The Voluntary Fund (if applicable) and any other non-public funds are administered as rigorously as public funds
    - Any suspected irregularity will be reported immediately to the Trust's Audit and Risk Committee Chair ○ The Trust/schools will adhere to current Data Protection legislation - please see

      GDPR Policy ○ Appropriate training in financial administration will be given to enable staff cover at all times. Alignment of systems is required to support this and new joiner schools will be supported to achieve this.

3. Putting Policy into Practice

3.1 Delegated Authority

The ***Veritas MAT board of Trustees*** has overall responsibility for the management of all of the Trust's finances covering the General Annual Grant (GAG), other budgets delegated or devolved by the Authority/DFE and other funds (e.g. the Voluntary Fund). See also the Trust's Scheme of Delegation.

The ***Trust Business Committee –*** Business Committee Trustees/LAC Governors and Executive Group – are delegated responsibility by the Trust Board for the following aspects of financial management:

- Strategic planning
- Providing policy options for the Trust Board/LACs
- Assisting/preparing the annual budget for approval
- Monitoring of the financial position of schools on a monthly basis
- Authorisation of virements up to £10,000
- Tenders for Contract Services – expert advice will be sought if deemed necessary
- Keeping in-school financial procedures under review (in collaboration with the Risk and Audit Committee)
- Ensuring links to the School Improvement Plan
- Maintenance and review of this policy

School ***Headteachers*** **are** responsible for implementing the decisions of the Trust Board/LACs and for the operational management of the school.

The general administration of financial procedures are led by the Trust Business Manager, appointed as Chief Financial Officer by the Trust Board. The Trust Business Manager will work collaboratively with the CEO and Headteachers and may delegate to other members of staff i.e. the Trust Central Business Team.

3.2 The Best Value Principles

The **Trust Board/LACs** are responsible for taking steps to ensure that expenditure reflects best value principles. This is done by;

- Using performance data to compare attainment and other outcomes from all schools/academies nationally, and with similar schools/academies.
- Using the information gained to challenge performance and set new targets
- Where financial benchmarking is available, using it to compare expenditure with similar academies/schools
- Using fair competition through quotations and tenders, ensuring resources and contracts for services are secured in the most economic, efficient and effective way
- Consulting parents on policy development and major changes in the use of resources

3.3 Internal Financial Controls

DFE Documentation – The Academy Trust Handbook,

The internal financial controls operated by the Trust follow the controls set out in The Academy Trust Handbook working to the Annual Financial Reporting Timetable. Any additional internal financial controls included within the Trust's financial procedures are reviewed by the Trust

Business Committee and ratified by the Trust Board. A financial risk assessment is undertaken annually and reported in the Internal Scrutiny Report.

3.4 Budget Planning & Financial Links to the Trust & School Improvement Plans

The ***Improvement Plans*** for Trust and schools outline the strategic development of all aspects of the Trust. The plans take account of developments in the curriculum and buildings. Financial links are made to areas of the plan where a cost is incurred to ensure a strategic link to the three year budget set by the Trust Board. IMP (Integrated MAT Platform) has been implemented to support the Trust's budget planning and reporting process.

3.5 Monitoring and Virements

Veritas MAT recognises that the regular monitoring of income and expenditure against the agreed budget is central to effective financial management. To this end, the Trust Business Manager carries out a monthly internal monitoring procedure, copied to the Chair of Trust Board, Chair of Trust Business Group, CEO and senior leaders. Management Accounts are shared with the Trust Board and reports are submitted to the DfE in accordance with its timetable.

On occasions, virements need to be carried out. Virements to the ratified budget are minuted appropriately and require the following authorisation:

- Virements up to £5,000 - The CEO and/or CFO
- Virements up to £10,000 – The Trust Business Committee
- Virements over £10,000 – The full Trust Board

3.6 Insurance

The Trust and academies are insured for Employer's Liability, Personal Accident, Public Liability and Buildings/Contents via the RPA scheme. Comprehensive Minibus Insurance is also in place.

The Trust recognises that cash is insured through the RPA policy but ensures that the guidelines for cash handling are adhered to.

The Trust has elected not to take out external absence insurance but to operate an internal system to support absences. This will be considered for each new school joining the Trust as appropriate.

3.7 Purchasing

Budgets are delegated to Headteachers who may allocate to subject co-ordinators and TLR groups in line with the School Priority Improvement Plan. Integrated Curriculum-led Financial Planning informs this process.
All staff adhere to the school procedures for purchasing items, as laid down in the financial procedures manual, paying regard to value for money at all times. The Headteacher or Trust Business Manager authorises all orders (electronically) and invoices prior to payment.

Where the Trust and schools purchase large items, we adhere to the procedure for tenders and contracts as per DfE best practice guides and adhering to the Procurement Act in summary:

- For orders in excess of £8,000, but less than £50,000, three written quotations are obtained and submitted to the Trust Business Group for consideration
- For orders in excess of £50,000, no fewer than three competitive tenders are sought and submitted to the Trust Board for consideration
- All of the above will be minuted at the appropriate Trust Board meeting to ensure that the Trust/school is seen to be obtaining value for money at all times. With this in mind, the Trust also adopts the procedure where quotations are sought for all purchases over £1,000, as a matter of course.

(The above figures are all net of VAT).

With regard to **Competitive Tendering**, members of the Central Business Team are aware of the Academy Trust Handbook, the procurement rules and thresholds outlined in the Public Contracts Regulations 2015 and Find a Tender service. Also the DfE (Department for Education guidance on procurement and Government's Procurement Policy Notes (PPN) which highlight new changes to public procurement following Brexit. The team are also aware of the update to the Procurement Act.

Schools MUST NOT enter into Lease/Purchase agreements without prior authorisation - any such agreements would need to adhere to the Academy Trust Handbook criteria and be submitted to the Trust Board for approval. Existing agreements include:

- Managed Print Devices
- Minibus
- L.E.D. Lighting
- iPads

Trusts **must** consider DfE opportunities when making purchasing decisions for goods and services and record their decision-making.

Where a supplier has been awarded a contract under a Government Commercial Agency Framework, the Trust will not go out to obtain 3 quotations on the basis that this Framework provides assurance that the pricing is reasonable and has already been competitively assessed.

Trusts **must** use the Government Commercial Agency, Supply Teachers and Education Recruitment for their supply staffing requirements unless they have an alternative compliant agreement with rates which do not exceed those available through the framework.

Trusts **must** use DfE's Energy for Schools service or a DfE approved Energy deal as shown under Energy on Get Help Buying for Schools unless an alternative agreement of equivalent value for money has been sourced. This will apply when your energy contracts are renewed.

Trusts **must** ensure that all Management Information System (MIS) contracts are awarded under DfE's MIS framework as soon as practicable after its launch (planned for September 2027) and in line with expiry of their current contract.

3.8 Purchase Cards

Purchasing cards will only be used for business expenditure, and balances cleared before interest accrues. Each member school and the Trust has purchasing cards for the purchase and payment of goods and services.

Several members of staff from the Trust's Central Team are nominated purchasing card cardholders (appendix 2) to make purchases on behalf of schools and the Trust. Purchasing card expenditure is capped to a monthly limit for each cardholder. The limits for each purchasing card holder are held by the Central Team and any increases have to be approved by 2 members of the Trust Exec Team (including the CFO). Each card holder must sign a Purchase Card Agreement (appendix 3).

3.9 Personnel Matters

At the start of every financial year the Central Business Team use the Salary costing software provided by IMP to calculate the salary costs of all members of staff, including increments, where applicable. These details are used by the Trust Business Committee for incorporation into the school budget planning process.

The ***CEO and Headteachers*** undertake annual reviews of all teaching staff salaries and recommend enhancements, if applicable. Leadership salary reviews (teaching and support staff) are undertaken by the CEO, in accordance with the Pay Policy. Any recommendations are submitted to the Trust Pay Panel and Trust Board for approval and ratification and the details are recorded as a confidential item in the minutes.

The appropriate TLR group leader/line manager undertakes an annual review of all support staff and Headteachers/Trust Business Manager recommends incremental changes to the CEO for approval.

The Trust Pay Panel and Trust Board will adhere to guidance relating to Executive pay in the Academy Trust Handbook and Dear Accounting Officer Letters issued by the DfE.

(See also the Scheme of Delegation).

3.10 Payroll Matters

The payroll provider at Veritas MAT is Dataplan Payroll Ltd. The CEO, Trust Business Manager signs off the monthly payroll reports once the Central Business Team has checked them for accuracy (this will be delegated in the case of absence).

All staff pay claims (including overtime and mileage claims) must be made in a timely manner; no later than three months after the claim was incurred. At financial year end (31st August) it is requested that this is completed as soon as practicable.

3.11 Safeguard of Stocks, Stores and Assets

All staff are responsible for the security of school assets. Co-ordinators and class teachers safeguard their assets and an asset register is maintained and updated by the Central Business Team, which is checked at least on an annual basis and certified by the Trust Business Manager. Other school assets are also recorded on the asset register. (System used 'Every').

Items of value are held in a locked cupboard/cabinet, wherever possible and all items are visibly security marked to deter theft.

Where school assets are loaned to staff or pupils, this is logged on the Trust's asset management portal upon borrowing the item and again upon the item's return.

3.12 Income

The Charging & Remissions and Lettings policies are reviewed and updated on an annual basis by the Trust Business Committee.

Where debts are required to be written off, after every effort has been made by the Headteacher and Governors to recoup the monies, these will be referred to the Accounting Officer for authorisation. Approval to write off debts over £1,000 is required in writing from the Trust AO.

The Trust has introduced cashless systems, encouraging all payments to be made online. Cash should only be accepted in exceptional circumstances.

It is agreed that the maximum level of cash to be held in academies at any one time is £500. Cash will be receipted, recorded and banked promptly at all times.

3.13 Banking, Investment & Reserves

Banking - The Trust holds a single bank account for all schools. This is placed with Lloyds Bank plc for the administration of delegated official funds.

Bank account signatories/authorities are updated immediately there is a change in staffing and details are copied to the Trust AO, as a matter of course. Appendix 1 depicts the current

authorisations. BACS processing has been introduced as a more cost-effective method of processing payments and to increase security. Authorisations will be as per appendix 1.

Bank statements feed live into the Trust's finance system Xero and are reconciled electronically to meet the reporting requirements of the Trust. This forms part of the monthly cycle of reporting to the Chair of Trust Board and Accounting Officer.

Investments - The Trust may also hold notice deposit accounts with Lloyds Bank plc. The Trust Business Committee is delegated the responsibility of allocating the amount to place in the deposit accounts.

Please see Appendix 4 which applies specifically to the use of a Cash Deposit Platform.

Reserves - The Trustees review the reserve levels of the Trust annually, taking professional guidance regarding the optimum levels.

The review encompasses the nature of income and expenditure streams, the need to match income with the commitments and nature of reserves.

3.14 Petty Cash/re-imbursements

Petty cash is not held across the Trust. Should a member of staff make a purchase, this should be made after prior authorisation and re-imbursement made via BACS.

3.15. Irregularities

All staff are aware that they may raise concerns in confidence, providing for a thorough investigation of any suspected irregularity. These details are available to staff in their staff handbook. All staff are aware of the Whistle Blowing Policy which instructs staff to act on any financial irregularities they observe.

3.16 Data Protection

Under the terms of the Data Protection Act 1998, the CEO and Trustees are required to notify the Data Protection Commissioner of our processing, storage and disclosure of data procedures, which are covered by this legislation. To this end, we have a password protection/permissions restricted procedure. Systems are backed up regularly and the backups held securely, virus protection is in place and is updated regularly and the school has a disaster recovery plan for the administration network.

3.17 Financial Administration and External Audit

The Trust purchases financial support from Xeinadin South East Ltd (previously known as Williams Giles Ltd) which is reviewed on an annual basis.
This is part of the Xeinadin Group which carries out the external audit function (tendered in 2024).

The Trust has adopted the DFE's Academy Trust Handbook and Accounts Direction.

Internal Scrutiny is undertaken, as directed by the Risk and Audit Committee. This is also reviewed annually.

3.18 Related Party Transactions

Related parties include persons and entities with control or significant influence over the academy Trust, and members of the same group (e.g. parent and subsidiary companies, key management personnel and close family members).

Related Party Transactions are goods or services provided by individuals or organisations connected to the academy Trust. In order to ensure that there can be no real or perceived conflicts of interest, the Trust has adopted the following policy in line with the ATH:

- Trustees comply with their statutory duties as company directors to avoid conflicts of interest, not accept benefits from third parties, and declare interest in proposed transactions or arrangements
- all Members, Trustees, LAC Governors of schools and senior employees complete the register of interests, in accordance with sections 5.45 to 5.48 of the ATH no Member, Trustee, LAC Governor, employee or related individual or organisation uses their connection to the Trust for personal gain, including payment under terms that are preferential to those that would be offered to an individual or organisation with no connection to the Trust
- there are no payments to Trustees by the Trust unless permitted by the Articles, or by authority from the Charity Commission, and comply with any relevant agreement with the Secretary of State. Trusts will need to consider these obligations where payments are made to other business entities who employ the Trustee, are owned by the Trustee, or in which the Trustee holds a controlling interest
- the Charity Commission's approval is obtained where the Trust believes a significant advantage exists in paying a Trustee for acting as a Trustee. The school will pay no more than 'cost' for goods or services provided to it by related parties as defined in the ATH – Section 5.49. The Trust Board must ensure requirements for managing related party transactions are applied across the Trust. The Chair of the Board and the AO must ensure their capacity to control and influence does not conflict with these requirements. They must manage personal relationships with related parties to avoid both real and perceived conflicts of interest, promoting integrity and openness in accordance with 'The Seven Principles of Public Life'. Trusts must obtain DfE's prior approval, using their related party on-line form, for contracts and other agreements for the supply of goods or services to the Trust by a related party agreed on or after 1 April 2019 where any of the following limits arise:
    - a contract or other agreement exceeding £20,000
    - a contract or other agreement of any value that would mean the cumulative value of contracts and other agreements with the related party exceeds, or continues to exceed, £20,000 in the same financial year ending 31 August.

3.19 Governance Allowances

The Trust has an Expenses Policy for Governors, Trustees and Members. The Trust should be aware of the Charity Commission's Guidance for Trustees CC11: Trustee expenses and payments.

4.0 Fixed Asset Accounting

Details of all Fixed Assets are recorded in the Fixed Asset Register.

Post-conversion, all fixed assets are reflected within the Fixed Asset Register at the date that they are first brought into use.

The capitalisation threshold for the Trust, together with the useful economic lives of assets, and levels of depreciation are recorded on the Fixed Asset Register.

The Trust will seek and obtain written approval from the Secretary of State, via the DfE,

for the following:

- Acquiring a freehold on land or buildings;
- Disposing of a freehold on land or buildings; and
- Disposing of heritage assets beyond any limits set out in the Trust's Funding

- Agreement in respect of the disposal of assets generally;
- Novel or contentious property transactions.

(Chair of Trustees)

Signed…… Date……

Signed…… Date:……

(Chair of Trust Business Committee)

Signed…… Date:…… (CEO)

Encs:

Appendix 1

Bank account – BACS initiator(s) and approvers

Amber Hull – Central Team Business Manager	Alison Moon Trust Business Manager (CFO)	Karen Tribe - Senior Finance & HR Assistant

Access to Lloyds Banking for Processing purposes:

Chelsea Hamilton
And those acting as approvers (above) – separation of duties always adhered to. Processor creating BACS will not be included in the approval stage.

Procurement

Purchase Order requests are restricted within the finance system to subject leaders / budget holders. Final approvals made by CEO/CFO/Headteachers, in line with the finance policy and approved budgets.

Appendix 2

Purchase Card allocations and limits

Lloyds Charge Cards:

Overall account limit: £20,500

Current cardholder allocations:

- A Moon: £2,000
- A Hull: £2,000
- K Tribe: £3,500
- C Hamilton £3,000
- K Jordan-Daus: £2,000
- S Sheppard: £2,000
- S McAuley: £2,000
- W Harvey: £500

Business Representative: A Moon

Business Deputy Representative: A Hull

Appendix 3

Employee Trust Business Charge Card Agreement

Trust Purchase Charge Card Agreement – Responsibilities and Restrictions

Please sign your Business Charge card immediately. Each card holder is personally responsible for the safe custody of their card. The Card must always be held securely by the individual. The card holder is liable for the integrity of all transactions and proper and controlled use of the card.

Online purchases can only be made if there is a benefit to the Trust e.g. cheper price (significantly enough to take into account increased internal administration for this type of transaction), better delivery time, product unique to a supplier and it is a secure site. If there is any doubt whether a site is secure, the purchase should not be made.

Online purchases may only be made upon the use of the diligence below:

- Secure online site (e.g. the website shows the padlock symbol, Verisign, Bobby or is another secure pay site)
- Price
- Assurance of genuine goods, which meet British health and safety standards
- Full guarantee
- A valid VAT receipt for every transaction

Trust Business Charge cards may only be used after establishing an invoice cannot be raised nor a credit account set and after following the approval process below:

- Completion of a Purchase Order request has been submitted on the finance system
- Demonstrate the purchase represents best value by adhering to the Finance olicy

Trust Business Charge card holders will:

- **NOT** Store the PIN with the card, nor disclose PIN or card details to other persons
- **NOT** allow any other person to use their card for any purpose whatsoever
- **NOT** save the card details on any website
- **NOT** use the card to withdraw cash, including foreign currency transactions
- **NOT** use the card as a secondary form of payment e.g. PayPal account
- **NOT** use a personal loyalty card in conjunction with a Trust purchase card
- **NOT** use the card to set up a recurring transaction without prior written permission from the Chief Financial Officer
- **NOT** use the card to make regular payments to creditors
- **NOT** use the card to purchase fuel or other motoring expenses for a personally owned vehicle
- **NOT** use the card for any delivery address than the Trust or one of its constituent schools
- Ensure the card is held securely by the individual and not kept at the school overnight
- Report any instances of unauthorised card use to the Chief Financial Officer
- Refund to the Trust in full any cash withdrawal charge and/or interest charged for inappropriate transactions

I confirm I will adhere to the responsibilities and restrictions imposed on me set out by Veritas MAT in the Trust's Finance Policy. I also confirm that I have read the user guide issued to me by Lloyds Bank with my Business Charge Card and will adhere to Lloyds Bank conditions of use.

Signed: Card holder		Date	

This form must be submitted to the Chief Financial Officer Veritas Multi Academy Trust **User Authorised on behalf of**

Signed: (CFO)		Date	

Appendix 4

Investment and Reserves

This Investment policy appendix is designed to only apply to short term cash-based deposits and does not apply to any strategy that may be in place or put in place for investing in 'capital at risk' investments. It takes into account both the Academy Trust Handbook and the DFE "Managing Academy Trust Reserves / Academy Trust Reserves" guidance issued on the 2nd June 2025

Purpose and scope

To set out the processes by which the Trust can invest funds surplus to day-to-day operational requirements and to ensure that investment risk is properly and prudently managed.
In doing so, Trustees must:

- Act within their Charity's power to invest.
- Set investment objectives.
- Set the parameters that deposit counterparties need to meet.
- Consider the level of liquid cash required to be held either overnight or within current accounts.
- Approve the type of products that the Trust can invest in and seek external guidance if required.
- Define processes to manage and make investment decisions.
- Monitor and review investments on a regular basis.

1. Responsibility

The Trustees delegate the day-to-day responsibility of managing and implementing the investment policy to the *CFO* to ensure investments are managed in accordance with this policy and monitor regularly how the Trust's investments are performing.

2. Objectives

To identify a level of funds that can be placed on deposit to generate additional interest income for the Trust in order to support its on-going charitable objectives.
Any investment decisions must be supported by a cashflow forecast that reduces the risk of the Trust not having the liquidity required to carry out its day-to-day activities.

3. Investment Products

The DfE Guidance "Managing Academy Trust Reserves: dated 2nd June 2025 states:
Considerations for the Board:

- *if funds are not needed now, how the trust might be able to invest them to generate some extra income by reviewing current trust bank and saving accounts, cash reserve locations and interest rates available to establish where or how investment returns may increase, including:*
  - *reviewing type and amount of accounts*
  - *avoiding capital at risk investments*
  - *ensuring funds are deposited with banks or financial institutions that are registered and regulated by the Financial Conduct Authority (FCA) in the UK*

The Trust can invest surplus funds in a mixture of interest-bearing accounts and money market facilities (where the capital is not placed at risk) including:
Overnight (instant access / easy access)
Notice accounts (typically from 30-days to 100+ days)
Fixed term deposits (typically from 1-month to 12-months)
Investment maturity dates should not exceed 12-months in term unless funds are held for a specific future product with no risk of requiring access in the meantime.
It is recognised that funds cannot be accessed before the relevant period of notice is given or, for fixed term deposits, at maturity.

The profile and restrictions of the most common deposit accounts are:

Easy Access:
No notice needed to make withdrawals.
Funds are usually returned overnight or within a few days
Interest Rates are variable

Notice Accounts:
No access without giving the required notice
Interest Rates are variable

Fixed Term Deposits:
No access until the deposit matures
Interest Rates are fixed for the term

4. Counterparty risk

Following the Banking Crisis in 2007/2008, The Bank of England have (through the FSA and latterly, the FCA and PRA) implemented changes to banking regulation and capital requirements of UK FCA registered banks to ensure the stability of the UK Banking system.
Taking this and the DfE guidance into account, The Trust can only make cash deposits with institutions with a UK banking licence regulated by the FCA. The Trust will not enter into any "capital at risk" Investments

5. Counterparty Restrictions

For Institutions with an Investment Grade “good” or better credit rating or implied credit rating the Trust can deposit a maximum of £1,000,000 (plus interest accrued) in any one institution.
These ratings include:
Baa3 / P-3 or better (Moody’s) or
BBB- / A-3 or better (S&P) or
BBB- / F3 or better (Fitch) or
An implied rating of BBB- or better

The Credit rating or Implied Credit Rating will be checked at the time of placing a deposit with a new bank.
It is worth noting that Implied Credit Ratings are usually the ‘long term’ position, however, the Trust will only by depositing ‘short term’ in deposits with a maturity date or notice period of 12-months or less.

Rating	Moody's		S&P		Fitch	
	Long Term	Short Term	Long Term	Short Term	Long Term	Short Term
Investment grade: Highest (Triple A)	Aaa	P-1 (Prime-1)	AAA	A-1+	AAA	F1+
Investment grade: Very high	Aa1		AA+		AA+	
	Aa2		AA		AA	
	Aa3		AA-		AA-	
Investment grade: High	A1		A+	A-1	A+	F1/F1+
	A2	P-2/P-1	A		A	F1
	A3	P-2/P-1	A-	A-2	A-	F2/F1
Investment grade: Good	Baa1	P-2 (Prime-2)	BBB+		BBB+	F2
	Baa2	P-3/P-2	BBB	A-3	BBB	F3/F2
	Baa3	P-3 (Prime-3)	BBB-		BBB-	F3
Speculative grade: Speculative	Ba1	Not Prime	BB+	B	BB+	B
	Ba2		BB		BB	
	Ba3		BB-		BB-	
Speculative grade: Highly speculative	B1		B+		B+	
	B2		B		B	
	B3		B-		B-	
Speculative grade: Very high risk	Caa1		CCC+	C	CCC	C
	Caa2		CCC			
	Caa3		CCC-			
Speculative grade: Very near to default	Ca		CC		CC	
			C		C	
			C		C	
In default	C		SD/D	D	RD/D	RD/D

6. Assessing liquidity needs

The Trust should ensure that a sufficient balance be held across accounts with short term (Instant or easy access) so that the Trust's financial commitments can be met without the risk of the current account going overdrawn.
It should also allow enough flexibility to deal with reasonable, one-off events should they occur.
The Trust's cash flow forecasts will dictate how much is available for investment and for how long.
The cashflow forecasts should be reviewed monthly as part of the management accounts cycle and on maturity of fixed term deposits.
It is noted that notice and term deposits will not be accessible before the required notice period or maturity date for any reason.

7. Investment Decisions

The *CFO* is responsible for producing reliable cash flow forecasts as a basis for decision making.
The *CFO is* responsible for making investment decisions that comply with this Policy.
Deposit facilities in use by the Trust must be restricted to 'dual control' for the opening of a deposit, placing funds and withdrawing funds.

8. Monitoring & Reporting

The *CFO* will report investments held and the performance of investments against objectives to the Trust Business *Committee* for review *each time it meets and/or the Risk & Audit Committee when requested to do so*. The reporting should include:

- Funds invested
- Maturity dates
- Interest rates
- Latest cash flows showing 12-month liquidity requirements
- Recommendations for the next ***3 months***.

9. Review

Trustees should review the Investment policy to ensure it is still fit for purpose ***annually***.

10. Reserves Policy

See Finance Policy statement

(N.B. Where this figure is at or above 20% of annual income and GAG, the excess reserves should be explained (e.g. future planned building / large maintenance / capital projects etc.)
Where the figure is below 5%, this can indicate a financial vulnerability and any plans to increase reserves to this level should be detailed.