



## **INVESTMENT**

*Revised January 2016*

### **Rationale**

The Somers Primary School Council is responsible for ensuring that funds are invested in safe securities that attract the best interest rate available. The highest rate may not necessarily be the safest investment. School Council has the responsibility to seek secure investments with little or no risk.

When School Council invests funds it also has the obligation to ensure there is sufficient access to funds when needed.

### **Guidelines**

1. School Council shall invest in the Department of Education and Training 'authorised trustee' investments only.
2. School Council, in investing funds prudently, has the right to place investments in a variety of authorised trustee investments.
3. All investments must be lodged in the name of the School Council.
4. Withdrawal of investments requires authorisation of two of the signatories to the School account, one of whom must be the Principal.

### **Investment Options**

School Council may invest:

- With a bank savings account, bank savings investment account, term deposit account and bank interest bearing deposits.
- With those banks carrying on business in Victoria and are an authorised trustee investment in this State.
- With building societies which have been recognised by the Attorney General's Office and approved under the Trustee Act 1958.
- In any securities of a public statutory body constituted by or under the law of the Commonwealth, or a State of the Commonwealth, where repayment of principle is secured and interest payable thereon guaranteed by the Commonwealth or State.
- On a loan guaranteed by the Treasurer of Victoria or otherwise guaranteed by or on behalf of the Government of Victoria.
- On deposit in a fund the Treasurer of Victoria guarantees where repayment of money deposited.
- On deposits authorised with the Victorian Development fund in either the Cash Management Account or the State Development Account.
- In a common fund established by the trustee company where investment restricted by Provision of Section 4(1)M of the Trustee Act 1958.

## **Implementation**

Investments are made by transferring amounts from the official account to an investment by drawing a cheque. The following procedures are to be followed:

- Letter signed by two signatories to the School's official account is to be forwarded to the bank authorising the investment details.
- When funds are invested, details of date of lodgement, type of investment and amount of investment must be recorded.
- On maturity, funds not being reinvested and the interest earned are to be transferred to the account from which funds were originally drawn.
- All investments are to be recorded in an investment register.
- Certificates of investment must be kept in a secure place.
- School Council shall receive a report on all deposits and investments at each School Council meeting.
- A cash requirement review is to be conducted whenever an investment matures and where possible monies reinvested
- The Bursar, School Treasurer or Principal can conduct reinvestments/rollover over the phone at the discretion of the School Council.
- The twenty-four hour at call account may be accessed for the School Council through the agreement of the School Council Executive [School Council President, Principal, Secretary, Treasurer and the Bursar (non School Council Representative)]. These transactions will be reported to School Council.