



INVESTMENT & BANKING POLICY

BLACKBURN LAKE PRIMARY SCHOOL

12 -14 Florence Street Blackburn 3130

RATIONALE

The School Council has full responsibility for monitoring the school funds and deciding if there is the opportunity to invest surplus funds to generate interest revenue for the school. In doing so the cash flow requirements for any time must be taken into consideration.

The onus is on the School Council to ensure that money is adequately protected by placing it in secure investments such as banks and credit unions which are regulated by the Australian Prudential Regulation Authority (APRA).

(This policy has been developed with reference to the Department of Education and Training: School Investment Policy Guidelines V1.3)

AIMS

To ensure the School invests any identified surplus funds within the Department of Education and Training Guidelines.

BANK ACCOUNTS

Registered signatories at the bank for the school's accounts must comprise the Principal as a mandatory signatory and a second DET employee co-signatory who is a member of School Council and approved by the School Council in this role. A further DET employee signatory who is also a member of School Council and nominated and approved by School Council, may be registered to ensure the school can still meet its obligations if either the Principal or second co-signatory are not available.

The Business Manager cannot be nominated as a signatory even if a member of School Council.

All School Council bank accounts are maintained on CASES21 Finance. Each bank account is reconciled monthly and monthly financial reports are provided to School Council.

Bank accounts are not permitted to become overdrawn.

The transfer of money between the Official and HYIA via the DET website is authorised by the Principal and clearly evidenced in end-of-month reports.

Official Account

The school operates one main bank account – the Blackburn Lake Primary School Official Account. This account is used for all receipting (except donations to our tax Deductible Gift Recipient Accounts) and payments to creditors.

High Yield Investment Account (HYIA)

The HYIA was established by the Department of Education and Training to assist schools with cash flow planning and to provide schools with an attractive and competitive interest rate on the funds invested while retaining an 'at call' status. The HYIA is used by the school in lieu of identifying, establishing, monitoring and managing other forms of investments.

The use of the HYIA simplifies the establishment of an investment policy and eliminates the need for the ongoing maintenance of an investment register.

All Department of Education & Training Grants are deposited directly into the HYIA.

The basic functionality for the HYIA is as follows:

- Surplus funds are held in the HYIA to maximise interest revenue which is paid into that account
- The school transfers funds from the HYIA into the Official Account at any time as required.
- Excess money in the Official Account e.g. as a result of Parent Contributions is transferred to the HYIA to maximise interest.
- The money in the HYIA is in effect 'at call'
- No account keeping fees or transaction charges are applied to the HYIA

THE BUILDING AND LIBRARY FUNDS

The school has established two tax Deductible Gift Recipient (DGR) accounts for the purpose of receiving donations in a tax effective environment for the donor. Both these funds must operate under strict guidelines for making donations and the expenditure of funds. In receiving donations the DGR must issue a receipt in the name of the fund, provide the DGR's ABN and make it clear that the donation is a gift freely given.

What the school Building Fund can pay for includes the following:

- Painting and general maintenance of school buildings and building insurance
- Expenditure on carpets which are fixed to the floor of the school building
- Purchase of land for the school
- It may not pay for any ground works

The Library Fund can be used to pay for anything related to the library. It does not have any restrictions on expenditure.

Principal

School Council President

RATIFIED BY SCHOOL COUNCIL:

Date: _____

Review : May 2020