PURPOSE:
School Council has a responsibility to manage school funds and in doing so, has a responsibility to invest excess funds in a manner that generates the maximum interest revenue with institutions that represent low risk.

AIMS:
- To ensure maximum interest returns on low-risk investments.
- To ensure the cash-flow needs of the school are not compromised by the investment of funds into inaccessible accounts.

GUIDELINES:
- In February/March 2000 the Victorian Government, through the Department of Treasury and Finance completed a banking tender part of which included the development of “at call” High Yield Investment Accounts to be used by Victorian government schools. WESTPAC was the successful tenderer. The change to policy (excluding trust accounts) is detailed as follows:
  1. All grants and most other payments from the Department of Education, Employment and Training are paid into the school’s individual ‘at call’ High Yield Investment Account. This government initiative allows schools to maximise their investment earning capacity.
  2. Payments for goods and services must still be made from the official account.
  3. Funds are transferred into the school’s Official Account on an as needs basis.
  4. All other revenue received by the school is to be paid into the official account initially.
  5. The Westpac Bank will pay interest gained from the High Yield Investment Account directly into that account.
  6. Schools will not be liable for account-keeping fees or transaction charges related to the High Yield Account.

- School Council must maintain a manual Investment Register for all investments other than the High Yield Investment Account. The register will detail date of lodgement, investment institution, account number, amount invested, and terms of investment including interest rate, maturity date and interest earned.
- When considering investment opportunities, school council will ensure that funds are only invested with institutions that are prudentially sound and secure, environmentally and socially responsible, professionally managed, and have strong financial status in reserves, liquidity and profitability.
- All investment transfers and changes to investments, including the ‘roll over’ of existing investments, must be approved and minuted by school council, and authorised by the principal and a school council delegate.
- Transfer of funds from the High Yield Investment Account to the Official Account or vice versa must be authorised by the principal and ratified and minuted by school council.
- All investments will be made in the name of school council and be reported through CASES 21.
• The cash-flow requirements of the school must be monitored to ensure that there are sufficient funds available to meet commitments.

**Evaluation:**
• This policy, plus investment levels, investment terms and types of investments are required to be formally minuted and reviewed by school council annually.