



Durham &
Newcastle
Diocesan
Learning
Trust

**Durham and Newcastle Diocesan Learning Trust
(DNDLT)
Company Number 10847279**

Treasury Management Policy

"Every child matters and no child is ever left behind..."

**"Let the little children come to me, and do not stop them;
for it is to such as these that the kingdom of God belongs."
Luke 18:15-17**

**Policy Reviewed and Adopted by Board of Directors: 19 March 2025
Version: 8
Date of Next Review: March 2026
Responsible Officer: CFO/ COO**

Vision Statement:

At the heart of our vision is our commitment to ensure all of our schools are places where children and young people develop and thrive academically, socially, culturally and spiritually. The drive for excellence and effectiveness in our schools is paramount, but not merely because the Government says so. The enabling of every child to flourish in their potential as a child of God is a sign and expression of the Kingdom and is at the heart of the Trust's distinctive mission. This vision statement will be taken into account in all of our policies and their implementation.

Introduction

Treasury Management is defined as: -

- the management of the Trust's cash flows, banking and investment transactions,
- the management of the risks associated with these activities
- the pursuit of optimal returns consistent with those risks
- The objectives of this policy are to ensure that the trust: -
- maintains sufficient cash balances in its current account to meet its day-to-day commitments;
- invests surplus cash to earn an acceptable rate of return without undue risk;
- Complies with the Academy Trust Handbook and ensures that security of funds takes precedence over revenue maximisation;
- considers spreading risk between differing institutions to reduce risk.

Responsibility

The CEO and Board of Directors have overall responsibility for the security and management of funds. The day-to-day management of the treasury function is controlled by the CFO with support from finance consultants where appropriate. The CFO will liaise with the CEO and Board of Directors in relation to investment decisions.

Cash Flow Forecasts

The CFO will prepare and present regular 12 months rolling cash flows to the Board of Directors to identify expected cash balances throughout the year for investment opportunities and to provide early warning of low cash balances.

Borrowing

The Trust is not permitted to borrow without prior permission of the Secretary of State.

Deposits

The Trust will operate an interest-bearing current account with a bank approved by the Board of Directors, currently Lloyds Bank, and maintain sufficient balances to ensure there are adequate liquid funds to cover all immediate and forthcoming financial commitments, including maintaining a sufficient contingency for unexpected payments.

Where applicable monies surplus to the working requirements shall be invested in low-risk deposit accounts, low-risk investment accounts or in term deposits in regulated institutions.

Where the trust decides to invest, the investment risk will be properly managed. When considering an investment, the board of trustees will:

- Act within its powers to invest as set out in its articles.
- Manage and track its financial exposure and ensure value for money.
- Exercise care and skill in investment decisions, taking advice as appropriate from a professional adviser.
- Ensure that exposure to investment products is tightly controlled so that the security of funds takes precedence over revenue maximisation.
- Ensure that investment decisions are in the best interests of the trust.
- Ensure that reserves are invested in a way that can readily realised as cash, when needed.

To minimise and limit the risk of investment, the trust will:

- Invest in markets where financial services are closely regulated.
- Adopt a suitably diversified portfolio.
- Avoid speculative forms of investment.

The trust will not invest in any organisation that conflicts with the trust's values, could bring the trust's reputation into disrepute, or that are high-risk, e.g. crypto-assets.

The Trust will not take out any long-term deposits until reliable cash flow pattern has been established, monies will only be paid into term deposits not exceeding six months unless prior approval has been granted by the Trust Board.

The Trust will only deposit funds with bodies protected by the Financial Services Compensation Scheme.

Limits and Authority

The Board of Directors reserves the powers to:

- Give prior approval to the opening of new bank current accounts;
- Give prior approval to any bank deposit with a maturity date exceeding six months;
- Appoint a financial expert to advise on investments.

The Board of Directors delegates authority to the CFO to place deposits in the Academy Trust's name, at approved institutions (approved by the Board as and when necessary), subject to the agreed limits within this policy. No deposits will be placed without prior agreement with the CEO or other signatory subject to the relevant limits.

Authorised bank signatories of the Trust are set out in the Trust's Finance policy.

Register of Investments

The CFO will maintain a register of all deposits/investments held which will record

- Institution with which deposit placed

- Date deposit placed
- Amount deposited
- Date of maturity
- Amount returned
- Rate of interest
- Interest earned

Please see Appendix 1.

Monitoring, evaluation and review

The CFO will, where applicable, present the Register of Deposits to the Board of Directors on an annual basis.

Periodically (at least annually) where the Trust holds investments the CFO will review interest rates and compare these with investment opportunities through other institutions.

