

Dursley Town Council Investment Policy – draft

1. This policy sets out the council's policy for investing its funds. The priorities for any investment decision, in order of importance shall be:
 - a. Ensuring that funds are prudently invested, putting security before yield
 - b. The need to meet cash flow requirements
 - c. Ease of operation and monitoring
 - d. The limitations of the Financial Services Compensation Scheme (FSCS)
2. The council maintains a current account from which payments for expenditure are made by cheques or direct debit (utilities only). The level of cash in this account is maintained by a sweeper system operated by the bank which tops up the balance to £500 daily from an instant access account.
3. A general reserve which is sufficient to cover three to twelve months of gross expenditure will be maintained.
4. Earmarked reserves are maintained for capital or other projects.
5. The clerk/RFO maintains records of the amounts allocated to earmarked and general reserves.
6. The clerk/RFO will prepare a monthly cash flow projection based on planned and expected expenditure to determine the amount of cash that can be invested and for what period.
7. The clerk/RFO will negotiate terms for short term investments of up to 12 months with banks that meet the following requirements:
 - a. Minimum A rated by Standard and Poor's.
 - b. For investments over 6 months a Standard and Poor's Ratings Outlook of "stable" or "positive".
 - c. Regulated in the UK.
8. Where the total investment is greater than £250,000 it will be split between at least 2 different banks that meet the requirements above.
9. Suitable accounts for short-term investments will include deposit and savings accounts and treasury deposits. Typical investment periods will be: 1, 3 or 6 months and no more than 12 months. The rolling over of treasury accounts held within the Council's bank's system will be carried out by the Town Clerk
10. The clerk will include a report on investments in the quarterly management accounts.

11. Investment proposals that fall within the terms of 7, 8 and 9 above will be cleared by the Chair and Vice Chair of the Policy and Finance Committee. All other investment proposals will be decided at a full Town Council meeting.