

Dursley Town Council Investment Policy

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 BACS, cheques, chargecard (online and telephone purchases only) or direct debit.
3. 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.
4. 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.
5. Where the total investment is greater than £250,000 it will be split between at least 2 different banks that meet the requirements above.
6. 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
7. The Clerk/RFO will include a report on investments in the quarterly management accounts.
8. The clerk/RFO will have delegated authority to make investments proposals under three months that fall within the terms of 5,6 & 7
9. Investment proposals over three months that fall within the terms of 5,6, and 7 above will be discussed with the Chair and Vice Chair of the Policy and Finance Committee. All other investment proposals will be decided at a full Town Council meeting

Reserves.

- a) A general reserve which is sufficient to cover three to six months of normal expenditure will be maintained.
- b) Earmarked reserves are maintained for capital or other projects.
- c) The Clerk/RFO maintains records of the amounts allocated to earmarked and general reserves.