



Bright Futures

A great place to work

TREASURY MANAGEMENT POLICY

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Owner of Policy:	Chief Finance and Operations Officer
Authorised By:	Bright Futures Board of Trustees
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This is a Trust-wide Policy

TREASURY MANAGEMENT POLICY

Bright Futures Educational Trust's Strategy <https://www.bright-futures.co.uk/about-us/our-strategy/> underpins all aspects of this policy and the way in which it will be applied.

The specific elements of the strategy are:

- Our vision '**the best for everyone, the best from everyone**'
- Our six values; **Leadership**: We take ownership of our responsibilities and find the leader in all of us. **Integrity**: We do the right things for the right reasons, always being courageously true to our mission. **Passion**: We love what we do and feel the power of possible through innovation and creativity. **Community**: We work in collaboration with communities and wider partners celebrating diversity as our strength. **Equality**: We nurture, value, respect and empower all, understanding that equity sits at the heart of all opportunities. **Resilience**: We prioritise our wellbeing whilst embracing challenge, adapting flexibly and learning as we grow.
- Our commitments: **Children at the heart of decision making, Collaboration and strong relationships, Professional support, challenge and learning, Champion social justice and equity for all, Strong Governance & accountability, Ensuring efficiency and best use of resources for impact.**

What is the Policy for?

This policy sets out how Bright Futures Educational Trust manages its cash and investments to protect public funds, maintain liquidity for operations, and secure appropriate returns. It defines the strategy, activities, investments and principles that govern the Trust's treasury activities.

This policy applies to all cash and cashequivalent balances, bank accounts, deposits, and treasuryrelated activities undertaken by the central Trust and by schools on behalf of the Trust.

Who is the Policy for?

The policy applies to all staff employed by Bright Futures Educational Trust.

Treasury Management

Treasury management is defined as "the management of cash-flows, borrowings and investments, the management of the associated risks, and the pursuit of the optimum performance consistent with those risks". The analysis and reporting of treasury management activities must focus on the risk implications for Bright Futures Educational Trust.

The treasury management function is the function responsible for the management of Bright Futures Educational Trust's cash balances, investments and borrowings. The Trust Chief Finance and Operations Officer must ensure that surplus cash is properly invested and that Bright Futures Educational Trust's cash flow is sufficient to meet its liabilities.

This policy aligns with the Academy Trust Handbook.

Treasury Management Strategy

The treasury management strategy is to ensure the optimal return on all cash balances generated by Bright Futures Educational Trust within the constraints of this policy statement and ensuring above all else that the need to protect the capital sums invested is met. Bright Futures Educational Trust has a risk averse approach to investing funds on deposits.

Treasury Management Activities

The main activities of the Treasury Management Operation are:

- To monitor the bank balance of Bright Futures Educational Trust
- To prepare monthly cash flow forecast statements for the organisation
- To prepare and maintain an annual cash flow forecast
- To arrange short- and long-term investments and borrowings as appropriate
- To monitor and mitigate exposure to risk on those investments that Bright Futures Educational Trust may hold

It is the responsibility of the Treasury Management Function to calculate from cash flow forecasts the extent to which surplus cash may be available for investment, or the extent to which there may be shortfalls, which may as a result require temporary borrowings.

The investment parameters and borrowing facilities must be duly authorised by the Trust Board.

Treasury Management Investments

The Treasury Management function must endeavour to ensure that investments made on behalf of Bright Futures Educational Trust are ethical in nature and take into consideration the Trust ethos, values and commitments.

Bright Futures will hold surplus funds only as cash or cash equivalents. It will not invest in gilts, equities, or any other assets that can fluctuate in market value, as these could result in a loss if funds had to be liquidated quickly.

Funds which are surplus to the forecast cash needs can be invested for periods of up to six months. It will lend surplus funds only to, or place deposits only with, UK-incorporated institutions regulated by the Financial Conduct Authority. These institutions must hold a Fitch Short-Term Rating of F1 or F1+. Where this rating requirement is not met, deposits may be made only up to the applicable FSCS protection limit. The Fitch Short-Term Rating and FSCS protection limits of current deposits will be regularly reviewed.

In order to diversify exposure, no more than one third of the Trust's cash balance will be deposited with any one institution. Funds can be deposited via FCA-regulated cash deposit platforms provided all deposits continue to follow this policy.

The Trust will maintain a cash flow forecast that identifies the future need for liquidity required to meet its obligations and the amount and timing of temporary cash surpluses. The Trust will not normally lend or deposit its surplus funds externally for periods of longer than six months other than in accordance with a strategy approved at Board level.

The Trust will ensure through its cash-flow forecast and financial plan that it will have sufficient liquidity at all times to meet its payment obligations.

Treasury Management Investment Principles

The Trust's investment priorities, in order of importance, are as follows:

1. Security. The capital sums deposited will only be deposited in the most secure banking institutions. Dual authorisation will be required to transfer funds between different accounts.
2. Liquidity. Ensuring the Trust has sufficient cash reserves to meet its ongoing commitments.
3. Yield. Achieving a reasonable return on cash deposits.