



## **INVESTMENT POLICY & PROCEDURE**

V1.0 November 2025

### **POLICY STATEMENT**

The intention of the Investment Policy is to secure and maximise the value of ELCAP's reserves consistent with ELCAP's aims and objectives.

ELCAP needs to keep enough funds to pay any anticipated bills and liabilities including those which might arise if the organisation ceases to operate.

The funds are managed to ensure that there are sufficient funds when we need them [we call this cash flow] and we do this by using different bank arrangements and sometimes we might require capital finance.

ELCAP needs to control the levels of funds in different places and ensure that any risks to the security and the value of funds are managed.

Within the Board's agreed statements about risk and while meeting the day to day cash flow requirements of the organisation, current funds should be invested to increase the future funds of ELCAP to meet our charitable objectives. The identification and monitoring of opportunities to increase our funds and the control and monitoring of risks to the funds remains the responsibility of the Board.

### **PROCEDURES**

#### ***Delegation***

Decisions on financing, borrowing and investing remain the responsibility of the Board.

Recommendations on appropriate financing, borrowing and investing will be sought by the Board from the Audit Committee.

The Audit Committee will ensure adequate control is exercised over the financing, borrowing and investing within the decisions made by the Board.

## ***Investments***

Other than funds required at short notice, the balance of ELCAP's funds will be transferred to an interest bearing account to maximise interest returns.

Our requirement is to have available at short notice (within 28 days) amounts that are at least sufficient to cover the higher of either two four-week period's salaries or two four-week period's total average expenditure. [\*]

Any funds in excess of this immediate requirement may be invested in accounts which may place restrictions on short term access to funds but yield a higher return.

The Board may decide to retain funds in investments where short term cash requirements are not met when there are plans to replenish cash reserves within a 12-month period.

An appropriate mix of fixed to variable interest rates will be sought to ensure maximum return while giving consideration to the protection of the capital element of the investment.

To protect funds from the effects of inflation when interest rates are low ELCAP may invest in Equity Linked Managed Funds noted in Appendix 2. As there is the risk that such funds may reduce in value as well as increase, investments will be made having regard for liquidity requirements noted above [\*] and any proposed capital expenditure over the next 12 months. The aim of this type of investment is to achieve real capital growth.

To ensure the legality of investment options and minimise the associated risks, investments will only be made with investment bodies selected from the approved list as set out in Appendix 2, which also sets out the limits to be invested with each approved body and the type of investment instruments approved for use by the Board.

## ***Ethical Investment and Socially Responsible Investment***

In agreeing any ethical investment strategy the officers and Board of Management will demonstrate that they have reached a view based on the Charity's aims and the following considerations.

These considerations should not be based on individual or moral disapproval.

1. The beneficiaries and supporters of ELCAP are not alienated.
2. There are no practical conflicts with the charity's purposes and activities.
3. There is no significant detriment.

ELCAP does not wish to adopt an exclusionary policy but individual investment may be excluded if perceived to be in conflict with the ELCAP's aims and objectives.

## ***Reporting to the board***

The Director will submit a report on current investment arrangements to the Audit Committee prior to consideration quarterly at the Board. The report will include the following:

- an update on current financing arrangements
- a report on the understood impact on our 24 month cash flow
- details of compliance with any loan covenants
- a review of available funding options showing why current arrangements offer best value
- an update on the risk environment related specifically to the treasury management process.

The audit committee will make recommendations to the Board on the acceptance or other wise of the report.

## ***Implementation and review***

- 4.1 The Chair will ensure that this policy is followed by all Board Members and members of staff involved in the investment procedure.
- 4.2 The Director will ensure that this policy is reviewed at least every three years, and that any amendments required are submitted to the Board for approval.