LINCOLNSHIRE FAMILY HISTORY SOCIETY

Investment Policy Statement (2 and 16)

Background

According to the Charity Commission's CC14 Updated Guidance on Investing Charity Money, smaller charities require a basic, defensive policy. This framework prioritises the protection of cash capital over high-yield speculation, ensuring funds remain liquid for Society requirements.

1. Objective and Investment Powers

The trustees of the Lincolnshire Family History Society seek to produce the best financial return within a low-risk framework. The priority is to preserve the capital value of the Society's liquid assets, while keeping funds accessible to support day-to-day operations and Society needs.

2. Investment Scope and Strategy

The Society operates on a budget that falls below regulatory thresholds, so we restrict all investments to low-risk, UK bank accounts. The trustees strictly prohibit investing in volatile markets, including stocks, shares, property bonds, or complex corporate investments.

It has been decided that permitted accounts are limited to:

- Current Accounts: Used for daily banking, including paying invoices, event fees, and journal printing costs.
- Instant Access Savings: Used to hold emergency funds that can be withdrawn immediately.
- Notice or Term Deposit Accounts: Used to hold extra savings for higher interest, provided the money is not locked away for more than 90 to 120 days.

However, our main investment remains with the CCLA Charitable Investment Fund.

3. Risk Diversification and Counterparty Limits

To manage risk and protect the Society against bank insolvency under the UK Financial Services Compensation Scheme (FSCS)

- Deposit Cap: No single banking institution or financial group shall hold more than £85,000 of the Society's total funds.
- Provider Quality: All chosen cash or savings deposit providers must be regulated by the UK Financial Conduct Authority (FCA).

4. Ethical and Social Considerations

In line with the modernized CC14 guidance, the trustees may consider ethical banking or responsible deposit vehicles (e.g. banks that support local civic causes or have explicit environmental protections) provided that doing so does not significantly decrease the safety or yield of the cash asset.

5. Governance and Authorisations

- Signatories: The opening, closing, or transfer of funds between any investment/deposit accounts requires the authorization of at least two designated trustees (usually the Treasurer and Chairman).
- Reporting: The Treasurer will present a summary of bank balances, accrued interest, and maturity timelines to the Executive Committee during ordinary trustee meetings.

6. Review of this Policy

This policy will be reviewed annually by the Committee at its first meeting following the Annual General Meeting to ensure that interest rates remain competitive and notice periods still align with the Society's operational cash needs. The Committee may review and amend this policy at any time if changes in legislation, Charity Commission guidance, best practice, or the Society's circumstances make this necessary. The date of the most recent review will be recorded in the Committee minutes.

Approved by the Committee: 24 September 2026
Last reviewed: No reviews to date
Chairman: Colin Ashworth
Next review: First Committee meeting following the 2027 AGM