Investing Charity Funds Policy and Procedures

Date Adopted: 27th May 2026

Next Review Date: 27th May 2028

Policy Review: This policy will be reviewed by the trustees every 2 years or sooner if legal guidance changes.

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1. Purpose

The purpose of this policy is to ensure that any funds held by The West Kent Badger Group that are not immediately required for charitable purposes are invested prudently to generate additional income or growth, in a way that is consistent with the West Kent Badger Group's aims, legal obligations, and risk appetite.

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2. Legal Framework

This policy is prepared in accordance with:

- The **Charities Act 2011**
- The **Charity Commission's guidance on investment (CC14)**
- The West Kent Badger Group's governing document
- Relevant UK tax regulations

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3. Scope

This policy applies to:

- All reserves and funds not required for immediate operational purposes
- Any investment decisions made by trustees or delegated committees
- All types of investment vehicles considered by the West Kent Badger Group

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4. Principles

The West Kent Badger Group will adhere to the following principles when investing funds:

1. **Prudence –** Investments must balance risk and return in a cautious manner, avoiding unnecessary risk to the capital.
2. **Purpose Alignment** – Investments should not contradict the West Kent Badger Group's values or purposes.
3. **Diversification –** Where possible, investments should be diversified to reduce risk.
4. **Liquidity –** Investments should be sufficiently liquid to meet foreseeable operational needs.
5. **Ethical Considerations –** The West Kent Badger Group will consider environmental, social, and governance (ESG) factors when investing.

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5. Types of Investments

The West Kent Badger Group may consider the following types of investments:

- **Cash deposits** in UK banks or building societies
- **Fixed-term bonds** with reputable UK financial institutions
- **Charity-friendly investment funds** that meet ethical criteria
- **Other low-risk investment vehicles** approved by the trustees

Investments in high-risk or speculative financial instruments, such as individual equities or cryptocurrencies, are **not permitted**.

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6. Investment Decision-Making

1. The trustees are responsible for all investment decisions unless delegated to a finance or investment subcommittee.
2. Decisions must consider:
    - The West Kent Badger Group's cash flow and reserve requirements
    - The expected rate of return vs. risk
    - The term of the investment
    - Ethical and ESG considerations
3. Trustees may seek independent financial advice if required.

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7. Risk Management

- Investments will be monitored regularly to ensure they remain appropriate.
- Trustees will ensure that any investment does not jeopardize the West Kent Badger Group's solvency or ability to deliver its charitable objectives.

- Diversification will be used to reduce exposure to any single institution or investment type.

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8. Delegation and Reporting

- Trustees may delegate day-to-day investment management to a Finance Officer or Investment Subcommittee, subject to regular reporting.
- Reports must include:
    - Current investment holdings
    - Performance vs. benchmarks
    - Any changes made to the investment portfolio
- Trustees will review the investment portfolio at least annually.

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9. Ethical and Social Responsibility

- Investments should avoid companies or sectors that conflict with the West Kent Badger Group's aims (e.g., tobacco, fossil fuels, arms).
- Ethical investment funds or socially responsible investments are preferred where practical.

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10. Review and Amendments

- This policy will be reviewed every 2 years, or earlier if significant changes occur in legislation, financial markets, or the West Kent Badger Group's circumstances.
- Any amendments must be approved by the trustees.

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11. Documentation and Record-Keeping

- All investment decisions must be documented, including rationale, expected risk, and anticipated return.
- Records must be kept for at least 6 years, in line with statutory obligations.
