

<b>Fiscal Management</b> <b>4110</b>		<b>Administrative Application</b>	
		<b>Last Reviewed / Approved on:</b>	August 14, 2024
Investments		<b>References:</b>	<i>The Education Act, Section 87 (j) (see note below) The Bank Act (Canada) Policy 2 – Role of the Board Policy 12 - Role of the Director</i>
		<b>Status:</b>	Operational

### **Preamble**

The purpose of this administrative application is to outline the parameters and objectives for the investment of school division funds. These objectives are as follows:

1. Preservation of capital/principal through minimization of risks;
2. Maintenance of liquidity appropriate to meet ongoing financial requirements;
3. Utilization of self-financing where practical and possible; and
4. Maximization of rates of return through competitive processes.

The Business and Finance Department, as designated by the Chief Financial Officer, is responsible for:

1. The management and transacting of investment activities; and
2. The selection of investment placements in accordance with this policy.

### **Application**

1. The Business and Finance Department will prepare and maintain a current cash flow position for the school division. This cash flow information will be used to determine the amount and duration of investment placements.
2. Investment placements will be determined by a competitive process.
3. Investments may include deposit receipts, deposit notes, certificates of deposit or investment acceptances, or similar instruments, that are issued or guaranteed by:
  - a. The Government of Canada or a Province or Territory of Canada;
  - b. A bank listed in Schedule I or II of *The Bank Act (Canada)*;
  - c. A loan corporation or trust corporation; or

- d. A credit union.
4. The eligibility of institutions for the placement of investments will be determined based on legislation and commercial paper ratings established by the Dominion Bond Rating Service (DBRS). Where an institution is not rated by DBRS, the eligibility of institutions for the placement of investments will be determined on the basis or the existence of a deposit guarantee by the Government of Canada or a Province or Territory of Canada.
5. Investment may be placed only with institutions rated at the R-1 level by DBRS. Where an institution is not rated by DBRS, investments may be placed only with institutions that are covered by deposit guarantees by the Government of Canada or a Province of Canada (for example, the Credit Union Deposit Insurance Corporation (CUDIC) in British Columbia or the Credit Union Deposit Guarantee Corporation (CUDGC) in Alberta and Saskatchewan).
6. Investments in any financial institution shall be limited as follows:
  - a. R-1 – High AAA \$20 million
  - b. R-1 Medium AA \$10 million
  - c. R-1 – Low (A) \$5 million
7. Where an institution is not rated by DBRS, but a deposit guarantee is in place, investments shall be limited to \$10 million.
8. The amount and term of the investment shall be established prior to quotations being sought and shall remain unchanged upon receipt of the quotations. Within the limits as specified in this administrative application, the quotation with the highest interest rate shall be accepted. In the event of equal rates, the Chief Financial Officer shall determine with which institution the investment will be made.