

INVESTMENTS

Background

From time-to-time, the district has funds on hand which are surplus to its immediate needs. The secretary-treasurer or designate is responsible for cash management and is authorized to invest these funds in order to generate investment revenue for the district and on behalf of the Board of Education. Investments must reflect a conservative management philosophy based on three substantive fundamentals:

- The first priority is the preservation of capital.
- The second priority is the assurance of liquidity.
- The third priority is the achievement of positive returns.

Procedures

1. The secretary-treasurer or designate shall manage the investments of the district in accordance with this administrative procedure.
2. Investments may be in one (1) or more of the following:
 - 2.1 Interest-bearing accounts, fixed deposits, notes, certificates and other short-term paper of or guaranteed by a savings institution;
 - 2.2 Securities that are obligations of or guaranteed by the federal or provincial governments, Canadian chartered banks or credit unions;
 - 2.3 Securities issued by the Municipal Finance Authority of British Columbia;
 - 2.4 Commercial paper issued by a company incorporated under the laws of Canada or of a province, the securities of which are rated in the highest rating category by at least two (2) recognized security rating institutions.
3. Investments may be made in or through institutions other than the district's primary bank. Credit risk will be minimized through diversification. It is not prudent to invest all funds with one (1) institution, but rather to spread the risk. It is recognized however, that there may situations where this is not practicable or desirable.
4. **Local Priority**
 - 4.1 All other things being equal, investments will be negotiated with local financial institutions.
 - 4.2 Where there is only marginal benefit to be gained from financial institutions outside the district, then the secretary-treasurer is authorized to negotiate an investment with a local financial institution.

Reference: Section 22, 23, 65, 85 School Act and School Regulations
 Financial Information Act
 Ministerial Order 033/09 – Accounting Practices Order