

SD 42 POLICY: 4105

INVESTMENTS

PHILOSOPHY:

The Board of Education ("Board") believes that cash available for investment should be invested in minimal risk financial instruments to generate investment revenue based on the following order of priority:

- preservation of capital;
- assurance of liquidity;
- an appropriate return.

AUTHORITY:

The Board assigns the responsibility for the implementation of the Investments policy to the Secretary Treasurer.

The Board authorizes the Secretary Treasurer or designate to have responsibility over investments for the school district. The Secretary Treasurer is responsible for determining any specific procedures for managing and investing of surplus funds for the district and schools. Reasonable care and judgement shall be exercised in making investment decisions that are consistent with this policy.

The Secretary Treasurer or designate may seek professional investment advice to select appropriate investments as outlined above.

The Secretary Treasurer will:

- approve any investments that fall outside the guidelines of this policy;
- approve any investments with a maturity date greater than 5 years;
- maintain a listing of all school district and school investments;
- review this Policy periodically for suitability.

GUIDING PRINCIPLES:

1. Capital Preservation

Investment of funds shall only occur when the principal is guaranteed. This may be accomplished through the placement of funds with institutions that have achieved the highest creditworthiness in the marketplace and earned a public reputation as a good credit risk.

The following are eligible investments under this policy:

- Financial instruments are guaranteed as to repayment of principal and interest by:
 - The Government of Canada or by any of the Provinces of Canada
 - Chartered banks and trust companies incorporated under the laws of Canada
 - Credit unions incorporated under the [Credit Union Incorporation Act](#) of BC
- Interest-bearing cash and cash equivalents, including guaranteed investment certificates or term deposits with banks, credit unions or trust companies. Investments for operating cash requirements shall be in Canadian cash equivalents and short-term commercial paper rated (minimum rating R-1 Low by the DBRS Morningstar), an equivalent rating from another agency, or, where not rated, an equivalent level as determined by the market.
- Debt securities of Canadian issuers, issued in Canadian currency, including sovereign, provincial, municipal and corporate bonds, debentures, notes and other debt instruments. All investments in fixed income securities shall be in securities that are the subject of regular price quotations by recognized investment dealers and for which ratings are available for the borrower or the debt issuer. The corporate and government bond and debenture portfolio in aggregate shall contain only instruments assigned a minimum rating of R-1 low (short-term) or "A" (long-term) or equivalent by any major bond rating agency at the time of purchase.
- Any other investments approved by the Secretary Treasurer or designate.
- Credit risk minimization shall be achieved through diversification whenever possible and appropriate.

2. Liquidity Assurance

The assurance of liquidity is the ability to fund operating commitments through the drawdown of the investment portfolio.

3. Optimizing Returns

Optimizing returns is obtained through monitoring of marketplace opportunities and realigning investments accordingly, balanced with the Capital Preservation and Liquidity Assurance guidelines described above.

APPROVED: January 24, 2018

UPDATED: February 2024