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## AP 516 – Investments

### Background

From time to time the District has funds on hand which are surplus to its immediate need. In these circumstances, the Secretary Treasurer or designate shall invest the funds after negotiating an attractive return on secured investments.

Investments must reflect a conservative management philosophy based on three substantive fundamentals:

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

The Secretary Treasurer or designate shall manage the investments in accordance with this administrative procedure.

### Procedures

1. The Secretary Treasurer or designate is responsible for cash management and investment of available cash in order to generate investment revenue.
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 saving 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 institutions.
3. Such 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 institution, but when practical to invest with more than one institution. It is recognized however, that there may be situations where this not practicable or desirable.
4. Local Priority
  - 4.1 All other things being equal, investments will be negotiated with local financial institutions. In accordance with Ministry of Education Guidelines, whenever possible cash on hand will be placed with the Ministry of Finance Central Deposit program.
  - 4.2 Where there is only marginal benefit to be gained from financial institutions outside of the District, then the Secretary Treasurer or designate is authorized to negotiate an investment with a local financial institution