BOARD OF EDUCATION OF
SCHOOL DISTRICT NO.22 (VERNON)

BOARD POLICY NO: 612

Investment of Funds	
Approval Date:	June 21, 2011
Amendment Date(s):	December 13, 2023
Reference(s):	

The Board believes that where cash is available it should be invested in order to generate revenue for the benefit of the District. Investments are to be made in minimal-risk financial instruments based on the following order of priority:

- preservation of capital;
- assurance of liquidity; and
- an appropriate return consistent with safety and liquidity

The Secretary Treasurer is responsible for cash management and investment of funds and is hereby authorized to invest available cash in order to generate investment revenue.

<u>Principles for Investments</u>

1. Capital Preservation
   1.1. Investment of funds shall only occur when 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.
   1.2. 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; Canadian Chartered Banks and Trust companies incorporated under the laws of Canada, and Credit Unions incorporated under the *Credit Union Act* (British Columbia)
      1.2.1. 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 Dominion Bond Rating Service), an equivalent rating from another agency, or, where not rated, an equivalent level as determined by the market.
      1.2.2. 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 with an assigned a minimum rating of R-1 low (short-term)/"A" (long- term) or equivalent by any major bond rating agency at the time of purchase.
      1.2.3. Deposits in the Provincial Treasury's Central Deposit Program.

1.3. Credit risk minimization shall be achieved through diversification whenever possible and appropriate.

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

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