



Investment Procedures

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Memo To: All Staff
From: Director of Education

ACCESSIBILITY:

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PURPOSE:

This Administrative Procedure will outline for the Waterloo Catholic District School Board (WCDSB or the Board) the acceptable methods for investment of temporary surplus cash balances as regulated by the Education Act Ontario Regulations 41/10.

REFERENCES:

- The Education Act, Ontario Regulations: 41/10 which provides guidelines and restrictions for Board investments.

FORMS:

- N/A

REPORTS:

- N/A

APPENDICES:

- N/A

COMMENTS AND GUIDELINES:

The primary goals of APB012 Investment Procedures are:

- To achieve the highest possible rate of return on any temporary surplus cash balances
- To minimize administration where practical and possible
- To minimize the risk associated with investments by ensuring that the Board is compliant with the Education Act while maintaining sufficient liquidity

The Senior Manager of Financial Services or the Executive Superintendent of Corporate Services and Treasurer will be responsible for making the following determinations in accordance with this procedure:

- The amount available to be invested
- The length of time for investment, and
- The compliance of investments with Board policy and the Education Act



Eligible Investments

The Board does not have the power under section 241 of the Education Act to invest in a security other than a security prescribed under the Ontario Regulation 41/10, s. 8.

The Board shall not invest in a security that is expressed or payable in any currency other than Canadian dollars. Ontario Regulation 41/10, s. 11(1)

Management Methodology

Surplus cash balances refer to the funds held within centrally managed accounts. This procedure does not apply to funds held by any of the schools. Where a school has surplus balances of cash, they are directed to contact the Senior Manager of Financial Services to review their investment options. Schools are bound by the same Board Policies and Provincial Regulations as the Board.

The Senior Manager of Financial Services reviews the consolidated cash balance weekly to assess the availability of funds. Surplus funds are typical around the 18th of each month when the Board receives its transfer payment from the Ministry of Education and in March, June, September and December when the Board receives its quarterly tax transfers from the Municipalities.

The Board employs 2 strategies with respect to surplus cash balances:

- **External management of surplus cash**

From time to time, the Senior Manager of Financial Services will review and assess the viability of eligible investments as permitted by the Education Act, such as GICs, treasury bills and bankers' acceptances. The Board typically does not retain surplus funds for an adequate length of time to make these types of investments financially worthwhile to the Board. However, the merits of an external investment are reviewed and evaluated based on financial impact, liquidity and the ease of administration for decision making purposes.

- **Internal management of surplus cash**

The Boards' current banking arrangement with CIBC offers competitive rates for surplus balances through a dedicated high interest bearing account.

On a weekly basis, the Senior Manager of Financial Services reviews the available cash balances and analyzes available investment options. Based on the results of the analysis, surplus funds will be transferred in or out of the external or internal accounts as needed.