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## **INVESTMENTS**

### **Background**

Under normal conditions, the day-to-day financial operations of the District are such that positive cash flows occur periodically. The Secretary-Treasurer is authorized to and responsible for cash management and investment of available cash in order to generate investment revenue.

Investments must reflect a conservative management philosophy based on three (3) 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 high returns.

### **Procedures**

1. The Secretary-Treasurer 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. The Ministry of Finance Certificate of Deposit Program.
  - 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. Such investments may be made through institutions other than the District's primary bank.
4. 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 be situations where this is not practicable or desirable.



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### 5. Local Priority

- 5.1. All other things being equal, investments will be negotiated with local financial intuitions.
- 5.2. 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: Sections 22, 23, 65, 85 School Act  
Financial Information Act

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