



Section 2: School District Administration

“Together We Learn”

207 – INVESTMENTS

Introduction

Timing of cash flows from the Ministry of Education, as well as the maintenance of statutory reserves, generates excess cash balances that may be invested for the benefit of the School District. The purpose of this policy is to ensure fiscal prudence is maintained with regard to these investments. Investments will be managed with the primary objective of preserving capital, while a secondary objective is to generate income. The portfolio will be composed of investments characterized as having a low risk level.

Policy

1. Investments will be managed to earn a rate of return, through income generation and capital growth that matches the rate of inflation over the long term. Fixed-income investments will be the only source of both capital growth and income
2. The portfolio will be constructed to be 100% secure. Normal fluctuations within the bond market are expected and within the tolerance of School District No. 23.
3. All investments will remain liquid. The portfolio will be flexible enough to maintain periodic withdrawals from time to time.
4. The cumulative investment of any one maturity will not exceed 10% of the fixed income portfolio.
5. Bond positions will be constrained by the following:
 - i. Federal Bonds 25% minimum range 100% maximum range
 - ii. Provincial Bonds 0% minimum range 75% maximum range
 - iii. Corporate Bonds 0% minimum range 50% maximum range
6. The total of all investments falling outside the above quality constraints will not exceed 5% of the total portfolio.
7. All Bonds will have ‘A’ or better credit rating.
8. A comprehensive portfolio review including portfolio evaluation and a review of this Policy will be performed annually to ensure it continues to meet the Board’s requirements.

Date Agreed: November 12, 2008

Date Amended:

Related Document: