

Fiscal Management 4110 Investments	Administrative Application	
	Last Reviewed / Approved on:	September 10, 2026
	References:	<i>The Education Act, Section 87 (j)</i> <i>The Bank Act (Canada)</i> Policy 2 – Role of the Board Policy 12 - Role of the Director
	Status:	Operational

Preamble

The purpose of this administrative application is to establish the authority, permitted investments, risk limits, controls, and reporting requirements for the investment of school division funds. Investment decisions will be guided by the following objectives, in priority order:

1. Preservation of capital/principal through minimization of risks;
2. Maintenance of liquidity appropriate to meet ongoing financial requirements;
3. Alignment of investment maturities with forecast cash-flow requirements; and
4. Achievement of a reasonable rate of return through a fair and competitive process, after considering safety and liquidity.

The Business and Finance Department, as designated by the Chief Financial Officer, is responsible for:

1. Managing cash flow, obtaining quotations, executing authorized investment transactions, maintaining records, and monitoring compliance; and
2. Recommending and selecting investment placements in accordance with this administrative application.

Definitions

1. **Capital/Principal** - The original amount invested, excluding interest or other earnings.
2. **Competitive Process** - A process in which comparable quotations are obtained from eligible financial institutions using the same investment amount, term, and other material conditions.
3. **Deposit Guarantee** - Protection provided under federal, provincial, or territorial law for eligible deposits held at a financial institution, subject to the limits and conditions of the applicable guarantee program.
4. **Eligible Financial Institution** - A financial institution that meets the legislative, credit-rating, deposit-guarantee, and investment-limit requirements of this administrative application.

5. **Liquidity** - The availability of cash, or investments readily convertible to cash, to meet the school division's financial obligations when due.
6. **Maturity** - The date on which an investment becomes due and the principal is repayable.
7. **Short-Term Credit Rating** - An assessment issued by Morningstar DBRS or another recognized Canadian credit rating agency of an institution's ability to meet its short-term financial obligations.

Application

1. The Business and Finance Department will prepare and maintain a current cash flow position for the school division. This cash flow information will be used to determine the amount and duration of investment placements.
2. Investment placements will be determined by a competitive process.
3. Investments in equities, mutual funds, exchange-traded funds, derivatives, cryptocurrencies, commodities, leveraged products, or other speculative instruments are prohibited.
4. Permitted investments include guaranteed investment certificates, term deposits, deposit receipts, deposit notes, certificates of deposit, bankers' acceptances, treasury bills, and similar fixed-income instruments that are issued or guaranteed by:
 - a. The Government of Canada or a Province or Territory of Canada;
 - b. A bank listed in Schedule I or II of *The Bank Act* (Canada);
 - c. A loan corporation or trust corporation; or
 - d. A credit union.
5. The eligibility of an institution will be determined in accordance with applicable legislation and current short-term credit ratings published by Morningstar DBRS or another recognized Canadian credit rating agency. Where an institution is not rated, eligibility will depend on the existence, scope, and continued availability of a deposit guarantee provided under federal, provincial, or territorial law.
6. Investments may be placed only with an institution having a short-term rating equivalent to Morningstar DBRS R-1 or with an unrated institution whose eligible deposits are covered by an applicable statutory deposit guarantee.

The total principal invested with any one financial institution will not exceed the following limits:

- a. R-1 – High, or equivalent: \$20 million
- b. R-1 Medium, or equivalent: \$10 million

- c. R-1 – Low, or equivalent: \$5 million
- 7. Where an institution is not rated by DBRS, but a deposit guarantee is in place, investments shall be limited to \$10 million.
- 8. The amount and term of the investment shall be established prior to quotations being sought and shall remain unchanged upon receipt of the quotations. Within the limits as specified in this administrative application, the quotation with the highest interest rate shall be accepted. In the event of equal rates, the Chief Financial Officer shall determine with which institution the investment will be made.
- 9. If an institution's rating or guarantee changes after an investment is placed, the Chief Financial Officer will assess the risk, document the response, and take appropriate action while considering legal restrictions, penalties, market conditions, and liquidity requirements.
- 10. The Chief Financial Officer will report every investment placement, renewal, maturity, redemption, transfer, and other change in investment holdings to the Board at its next regular meeting. Any material non-compliance or change in an institution's credit rating or deposit guarantee will be reported promptly to the Director of Education and the Board.
- 11. Employees involved in investment decisions must disclose actual or potential conflicts of interest.