

Administrative Procedure 504

DIVISION CASH MANAGEMENT AND INVESTMENTS

Background

The Division recognizes its responsibility to fund operations by effectively managing cash flow, maximizing investments and maximizing rate of return.

Procedures

1. The Associate Superintendent, Business and Finance or designate, will be responsible for Division cash management and investments.
2. Cash flow forecasts will be prepared periodically and may be revised as economic conditions fluctuate.
3. Investments will be made taking into consideration cash flow forecasts, payment schedules, current interest rates and predicted interest rate trends, with the goal of preserving capital, maintaining liquidity and maximizing the rate of return and interest income.
4. Funds shall be invested in a manner and time to ensure maintenance of positive cash flow to prevent use of higher cost operating loans or overdraft lending facilities.
5. The Finance Department will report on the status of corporately held investments and related income quarterly to the Board of Trustees.
6. Funds will be invested according to the following guidelines:
 - 6.1 Investments will provide a reasonable rate of return.
 - 6.2 Investments will be chosen from eligible securities with minimal risk to principle or interest as the Division is classified as a conservative investor.

Reference: Section 54(2) Education Act