

 <p>Confederation COLLEGE</p> <p>COLLEGE POLICY</p>	Number: 11-3-02	# of Pages: 3
	Originator:	Corporate Services
	Approved By:	Board Of Governors
	Replaces:	New
	Effective Date:	13-09-27
SHORT-TERM INVESTMENT POLICY		

1. Purpose and Scope

This policy is to formalize the process for Confederation College to manage, invest, monitor, and report on short term operating funds invested by Confederation College. This policy does not include Endowed Funds invested externally by a third party manager and monitored by the Endowment Committee.

2. Definitions

2.1 Short term investments are for securities with a maturity value of less than a year.

2.2 Operating funds are defined as all funds held by the college other than endowed funds. This would include working capital, deferred revenue, unrestricted and restricted (cash based) net assets.

3. Regulations

The college shall only invest short terms funds of the college in securities that are in compliance with the Financial Administration Act and the Ministry of Training, Colleges and Universities' "Banking, Investments and Borrowing Minister's Binding Policy Directive".

4. Allowable Securities

4.1 The college may only invest college funds not immediately required to operate the college in the following securities, expressed or made payable in Canadian dollars:

- I. Bonds, debentures and promissory notes or other evidence of indebtedness, issued or guaranteed by:
 - a) Canada or a province or territory of Canada, or
 - b) an agency of Canada or a province or territory of Canada.

- II. Bonds, debentures, promissory notes, deposit receipts, deposit notes, certificates of deposit or investment, acceptances, commercial paper or similar instruments, issued, guaranteed or endorsed by:
 - a) a bank listed in Schedule I or II or a branch in Canada of an authorized foreign bank under the *Bank Act* (Canada);
 - b) a loan corporation or trust corporation registered under the *Loan and Trust Corporation Act*, or
 - c) a credit union to which the *Credit Unions and Caisses Populaires Act, 1994* applies.

5. Procedure

On a periodic basis, the Director Budgets and Financial Planning or designate, will review the rates of interest being paid on the college's bank accounts. He/she will compare this to current rates available (based on request for quotation sent out to the major banks and/or investment firms of record) on eligible investments, to ensure the college is maximizing its investment income. The College will give consideration to the efforts involved in managing any such investments, estimated cash flow requirements and possible changes to short-term interest rates, to determine the net benefit to the college.

Once the bank, security and duration of the investment has been decided, the background cash flows and net benefit analysis will be forwarded to the Vice President Student & Corporate Services along with the "request to transfer funds" (if not the college current bank), for approval.

6. Reporting

The Vice President, College Services shall present an Investment Performance Report to the Board of Governors for approval at the end of each fiscal year. The report must also include an attestation that Confederation College was in compliance with all legislative investment requirements (Financial Administration Act) and the Banking, Investments and Borrowing Minister's Binding Policy Directive for the fiscal year ended March 31st. See attached for an example.



Annual Short-Term Investment Performance Report

EXAMPLE

This annual short-term investment performance report is for the year ended March 31, 20xx.

The College analyzed cash flows and held/purchased the following short-term investments during the fiscal year:

Investments held:

Firm	Type/rate	Principle	Duration	Date purchased
TD Canada Trust	GIC 1.35%	\$5,000,000	90 days	March 23, 20xx
TD Canada Trust	GIC 1.50%	\$6,000,000	180 days	June 23, 20xx
TD Canada Trust	GIC 1.45%	\$4,000,000	120 days	June 23, 20xx
TD Canada Trust	GIC 1.45%	\$4,019,068	123 days	October 21, 20xx
RBC	GIC 1.593%	\$8,000,000	180 days	March 25, 20xx

Total investment income for the year ended March 31, 20xx (including operating funds held in the College's current account earning prime less 1.75% (1.25%)) was \$211,876.

The above investments resulted in an increase of investment income (over and above amount that would have been realized the College's bank), of \$14,309.

The consolidated cash of the college bank accounts was \$1,783,015 at March 31, 20xx

I, name, Vice President College Services, certify that Confederation College was in compliance with all legislative investment requirements (Financial Administration Act) and the Banking, Investments and Borrowing Minister's Binding Policy Directive for the fiscal year ended March 31, 20xx.

Vice President, College Services

Date