

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.

Definitions

Liquidity is the ability of an asset to be converted to cash.

Overdraft Lending Facility is an agreement with a banking institution allowing use of overdraft funds for a specified fee.

Procedures

1. Cash Management

- 1.1 Cash flow forecasts shall be prepared at the commencement of each school year and may be revised as economic conditions fluctuate.
- 1.2 Reconciling shall be completed on a regular basis, in order to ensure that minimum bank charges are incurred and to minimize use of any overdraft lending facility in place.
- 1.3 The Secretary-Treasurer shall ensure that cash balances do not fall below levels of any externally restricted funds, as these funds shall not be accessed for operational purposes.
- 1.4 Cash flow forecasts and aged accounts payable listings shall be monitored to assist with planning investments in conjunction with purchases of significant amounts.

2. Investments

- 2.1 Investments shall be made taking into consideration cash flow forecasts, payment schedules, current interest rates and predicted interest rate trends, with the goals of preserving capital, maintaining liquidity and maximizing the rate of return and interest income.
- 2.2 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.
- 2.3 Funds available for investment for periods less than thirty (30) days shall be invested only if the potential securities' interest rates are greater than the interest rate earned

- on the current account with the banking institution.
- 2.4 Funds shall be invested according to the Trustee Act.
 - 2.5 For the purposes of investing corporately held funds, the Secretary-Treasurer may maintain a contractual agreement with a qualified investment firm, which shall assist the Division with selecting and maintaining suitable investments.
 - 2.6 The Secretary-Treasurer shall report the status of corporately held investments and related income quarterly to the Board.

Reference: [Education Act](#) Section 33, 52, 53, 68, 137, 138, 139, 140, 141, 143, 222
[Trustee Act](#)

Adopted: July 2018
Reviewed/Revised: September 2019, July 2025