Greater Essex County District School Board

Policy: Borrowing and Investing of Funds and Other Financial Matters

Reference No: P-BA-02

The Greater Essex County District School Board may borrow funds as required, or invest funds determined to be surplus to cash flow requirements, in accordance with the provisions outlined in Ontario Regulation 41/10 “Board Borrowing, Investing and Other Financial Matters” of The Education Act.

The Board may borrow funds at interest rates which minimize charges and fees.

The Board may invest funds determined to be surplus to cash flow requirements in eligible investments, at interest rates which maximize income, and in investment vehicles that will provide maximum security of Board funds.

The Board authorizes use of several different types of bank accounts held by brokers or investment services with chartered Banks to allow for various types of investments.

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Regulation: Borrowing and Investing of Funds and Other Financial Matters

Reference No: R-BA-02

I. Short-Term Borrowing of Funds:

The Board authorizes the Treasurer and Chairperson or Vice-Chairperson to borrow by way of a short-term loan, line of credit, banker's acceptance or promissory note such sums as are required to a maximum of $60, 000, 000 to meet current expenditures, capital expenditures and debit charges until current revenue is received.

II. Investment of Surplus Funds for Short Term Periods:

A short-term period is defined as less than one year.

1. Principles for Investment:

a) Adherence to statutory requirements;
b) The security and preservation of Principal;
c) Cash flow forecasts should be used to ascertain the amount of surplus funds to invest.
d) Maintenance of liquidity;
e) Investments will be limited to the eligible investments as stated in Ontario Regulation 41/10 except:
    i. The investment(s) as directed by the donor (s) in the case of scholarship funds received.

2. Authorization:

a) Investments may be made at the discretion of the Board Treasurer and/or the Managers of Financial Services through the services of brokers of investment services offered by Chartered Banks.

3. Reporting:

a) The Treasurer will make an annual report to the Board on investments when such investments were made during the fiscal year.

III. Other Financial Matters:

1. Principals for Risk Management in Respect of Energy Princes:

a) The Board may enter into commodity price hedging agreements in order to hedge the risks associated with the fluctuations in the prices of natural gas, electricity and other energy commodities that are required by the Board to operate its schools, other properties and vehicles.

2. Reporting

b) The Treasurer shall prepare and present to the Board a detailed report on the agreements including a statement about the status of the agreements during the period of the report, and comparison of the expected and actual results if using the agreements.