

POLICY 4105

INVESTMENT OF FUNDS

1. PURPOSE

- 1.1. To set forth objectives, parameters, and framework for the investment and management of the Surrey Board of Education funds. This policy is designed to ensure appropriate security of principal via prudent management of public funds, availability of operating and capital cashflow upon need, and optimizing investment returns competitive with comparable funds and financial market indices while maintaining strict compliance with board policy and other ministerial/legislative orders.

2. AUTHORITY

- 2.1. The Surrey Board of Education authorizes the Secretary-Treasurer or designate to have authority over investments for School District No. 36 (Surrey).
- 2.2. The Secretary-Treasurer is responsible for determining any specific procedure for managing and investing surplus funds for the district and schools. This authority includes:
- a) Making transfers from financial institutions for the purpose of investing or diverting board funds.
 - b) The use of investment broker firm(s) services and/or financial institutions that have been selected through the district's procurement selection process.
- 2.3. Reasonable care and judgment in making investment decisions that are consistent with this policy shall be exercised.

3. INVESTMENT PRINCIPLES

- 3.1. Investments must reflect a judicious management philosophy based on the following principles:
- a) Preservation of principal.

POLICY 4105

INVESTMENT OF FUNDS

- b) Assurance of liquidity.
- c) Diversification of investment portfolio.
- d) Optimizing rate of return on investments.

4. PRESERVATION OF PRINCIPAL

4.1. The district shall prioritize the preservation of capital to ensure the safety and security of its investments. Investments shall be made in a manner that protects the principal amount from undue risk. Considerations will be made for investments with high credit ratings and a proven track record of stability to attain capital appreciation while minimizing the potential for loss.

5. ASSURANCE OF LIQUIDITY

5.1. The district recognizes the importance of maintaining sufficient liquidity to meet its financial obligations. A portion of the investments are to be allocated to liquid and easily marketable securities, allowing the district access to funds promptly in case of unforeseen circumstances or emergencies.

6. DIVERSIFICATION OF INVESTMENTS

6.1. The district will diversify its investment portfolio across different asset classes, sectors, and maturities. By spreading investments across various instruments, the district aims to mitigate the impact of adverse market movements on the overall portfolio performance. Diversification will be regularly reviewed and adjusted as market conditions and investment opportunities change.

7. OPTIMIZING RATE OF RETURNS

7.1. Optimizing rate of returns is obtained through monitoring of marketplace opportunities and realigning the portfolio, accordingly, balanced with the Preservation of Principal, Assurance of Liquidity, and Diversification guidelines above. Investments will be made in a prudent and disciplined manner, considering the risk-return profile for each investment option. The

POLICY 4105

INVESTMENT OF FUNDS

district will explore various investment vehicles to identify opportunities that offer competitive returns while aligning with the district's risk tolerance.

8. AUTHORITY AND RESPONSIBILITY

8.1. Secretary-Treasurer

9. HISTORY

Revised: **2024-xx-xx**
 2015-06-05
 1995-02-09
Approved: 1984-05-28