FINANCIAL INVESTMENTS

Belief

The Division supports the investment of excess funds in order to generate additional revenue to support and enhance the student learning experience.

Guidelines

1. The Superintendent delegates to the Associate Superintendent, Business the authorization to invest Division funds.

2. Division financial investments shall be reviewed at reasonable intervals for the purpose of determining that the investments continue to be appropriate to the circumstances of the Division.

3. Division financial investments shall be consistent with those of a prudent individual investing under a low risk tolerance level.

4. Without restricting the matters that a Division may consider, in planning the investment of funds, the following will be considered, insofar as they are relevant to the circumstances of the Division:
   a. The need to maintain the real value of the capital or income of the Division;
   b. The need to maintain a balance that is appropriate to the circumstances of the Division between
      i. Risk,
      ii. Expected total return from income and the appreciation of capital
      iii. Liquidity, and
      iv. Regularity of income;
   c. The importance of diversifying the investments to an extent that is appropriate to the circumstances of the Division;
   d. The role of different investments or courses of action in the Division’s portfolio;
   e. The costs, such as commissions and fees, of investment decisions or strategies.

5. Authorized investments in ‘securities’ includes bonds, debentures, trust certificates, guaranteed investment certificates or receipts, certificates of deposit, deposit receipts, bills, notes and mortgages of real estate or leaseholds and rights or interests in respect of a security.
6. The Division may only invest its money in the following:
   a. Securities issued or guaranteed by
      i. The Crown in right of Canada or an agent of the Crown, or
      ii. The Crown in right of a province or territory or an agent of a province or territory
   b. Securities of a municipality;
   c. Securities that are issued or guaranteed by a bank, treasury branch, credit union or trust corporation;
   d. Units in pooled funds of all or any of the investments described in clauses (a) to (c);
   e. Shares of a corporation incorporated or continued under the Canada Business Corporations Act (Canada) or incorporated, continued or registered under the Business Corporations Act if the investment is approved by the Minister.

7. The Division may not acquire shares of a corporation under subsection (2)(e) if the acquisition would allow the Division to control the corporation.

8. The Division shall not engage in short selling of securities.

Reference: School Act, School Board Investment Regulation, Alberta Regulation 1/2007