

**CANADORE COLLEGE
CORPORATE POLICY MANUAL**

TITLE: Investment Policy

EFFECTIVE DATE: April 21, 2020

1. SCOPE

1.1 Authority

This policy is issued under the authority of the Board of Governors.

1.2 Application

This policy applies to the Financial Services Department and the Board of Governors of the College.

2. PURPOSE AND PRINCIPLES

2.1 The Board of Governors of The Canadore College of Applied Arts and Technology (the “College”) is responsible and accountable to the Ministry of Colleges and Universities (“MCU” or “Ministry”) and the public to ensure that the College provides quality education, is managed properly and funds are utilized appropriately. As part of the broader public sector colleges are subject to wide-spread examination to ensure assets are properly safeguarded.

2.2 It is imperative that funds be utilized in a manner that is consistent with the purpose for which they were provided.

2.3 The purpose of this Investment Policy is to establish guidelines governing the investment of college funds.

2.4 Endowment funds are established and maintained in perpetuity based on the original intention of the donor.

2.5 Given the nature of the investing environment, investment policies are designed to ensure that current and short-term goals of the College are achieved while the future and long-term objectives are maintained.

2.6 This Investment Policy applies to unrestricted cash and investments and restricted investments held by the College and established for endowment and scholarship purposes.

2.7 This Investment Policy applies to the Finance Department in carrying out the duties relating to investment management and safeguarding of college funds with respect to all unrestricted and restricted funds.

3. POLICY

3.1 In general, the objective is to provide a(n) investment vehicle(s) for the College to maximize investment returns.

3.2 The growth of funds, both principal and investment returns, in order to maintain principal, provides returns to be spent in accordance with the intentions, protects principal of investments and therefore purchasing power and recovers the cost of managing and administering the funds.

3.3 The fundamental objectives for investments are to ensure safety and preservation of principal, meet liquidity needs, apply diversification and risk limits appropriate to the investment pools and achieve optimal net investment returns subject to the risk tolerance, investment pool objectives and policy constraints. The asset pools in which the endowment funds are invested require current income which is the minimum needed for expenses and prudent liquidity, growth of income for planning and execution of distributions, and capital growth for long term growth and sustainability.

3.4 The College is to safeguard funds through the implementing and exercising of due diligence in review of the financial institutions utilized in the investment capacity of the College to ensure that the institution is financially sound.

3.5 A competitive process will be utilized in the selection of financial institution(s).

3.6 Funds will only be invested in the following securities:

3.6.1 Bonds, debentures and promissory notes issued or guaranteed by:

- Canada or a province or territory of Canada or an agency thereof,

3.6.2 Bonds, debentures, promissory notes or other evidence of indebtedness, issued or guaranteed by:

- a Canadian municipality;
- a university in Ontario receiving ongoing operating and capital funding from Ontario;
- Board of Governors of a college established under the Ontario Colleges of Applies Arts and Technology Act, 2002;
- Board of a public hospital within the meaning of the Public Hospitals Act;
- a School Board in Canada;
- Ontario Infrastructure Projects Corporation; or
- the Municipal Finance Authority of British Columbia.

- 3.6.3 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 bank listed in Schedule I or II or a branch in Canada of an authorized foreign bank under Bank Act (Canada);
 - a loan corporation or trust corporation registered under the *Loan and Trust Corporations Act, 1990*; or
 - a credit union to which the *Credit Unions and Caisses Populaires Act, 1994* applies.
- 3.6.4 Bonds, debentures, promissory notes or other evidence of indebtedness, issued by a corporation that is incorporated under the laws of Canada or a province of Canada; or promissory notes or commercial paper, other than asset-backed securities, issued by a corporation that is incorporated under the laws of Canada or a province of Canada.
- 3.7 Funds will be not be invested in a security under Section 3.6.3 or 3.6.4 above unless the security has a minimum rating, at the time the investment is purchased by the College by at least one rating agency of:
- “R-1 (high)” or “AAA” by Dominion Bond Rating Service Limited;
 - “Prime-1” or “Aaa” by Moody’s Investors Services Inc.;
 - “A-1+” or “AAA” by Standard and Poor’s; or
 - “F1+” or “AAA” by Fitch Ratings.
- 3.8 If an investment falls below the standard required under Section 3.7, the College is to sell the investment within 90 days after the day the investment falls below the standard.
- 3.9 Funds will be used in a manner consistent with the purpose for which they were provided.
- 3.10 Keeping in mind the investment objectives, assets held within the investment portfolio are to be diversified enough to provide a balance that will enhance returns while avoiding undue risk.

4. ROLES AND RESPONSIBILITY

4.1 Board of Governors

The Board of Governors is responsible for the initial approval of the policy and subsequent amendments.

4.2 President

The President is responsible for the overall management and operation of the College. The President will ensure that the policy is implemented and that compliance is monitored.

5. EVALUATION

This policy will be reviewed every three years as part of the Board's regular policy review.

References:

Ministry's Binding Policy Directive – Banking Investments, and Borrowing