



BOARD POLICY

Cash Management Policy

Purpose

This policy defines the scope and responsibility of staff to provide protection to the financial assets of the Vancouver Island Regional Library (VIRL) and to allow for preservation of capital while maximizing the financial returns of the available portfolio.

Objectives

This policy has been designed to provide an effective framework for optimal utilization of operating cash and reserve resources of VIRL to meet any statutory requirements with the basic need to protect and preserve capital, while maintaining solvency and liquidity to meet ongoing financial requirements. The objectives of the investment policy, in order of priority, will be:

- a) Adherence to statutory requirements;
- b) Ensuring availability of cash to meet disbursements and other obligations;
- c) Preservation of principal;
- d) Competitive return on investments commensurate with constraints in (a) to (c) above;
- e) Diversification of investment portfolio.

Reserve Cash Management

VIRL will maintain separate bank or investment accounts to hold reserve funds, to the extent the reserves are funded. Funds may only be transferred from reserve investments in accordance with the approved budget for the year, or with the Board's Executive Committee approval.

Permitted Investments

VIRL may only invest in securities or income investments from the following borrowers and/or investments, that unconditionally guarantee the principal and interest.

- a) Government of Canada
- b) Government of a Province or Territory of Canada
- c) A regional or local municipality within British Columbia
- d) A municipality in any other province or territory of Canada
- e) School Boards and conservation Authorities and other local bodies in Canada
- f) Canadian Chartered Banks listed in Schedule I or II of the *Bank Act*
- g) Trust Companies or Loan Corporations registered under the *Trust or Loan Corporations Act*
- h) Credit unions or leagues to which the *Credit Union and Caisse Populaires Act* applies
- i) Community Cash Innovation Pool, or similar, which are CDIC insured

Investment Quality, Currency and Duration Restrictions

VIRL shall not invest in a security offered by a borrower with a bond rating lower than “AA”.

VIRL may not invest in a security that is expressed or payable in any currency other than Canadian dollars.

VIRL may not invest in any fixed term agreement greater than one year, unless supported by a cash management plan approved by the Board.

Authorities

The investment portfolio strategy will be overseen by the Executive Committee of the Board. This committee will receive quarterly analysis of the portfolio performance, or more frequently as requested, as part of cash oversight reports.

In accordance with the provisions of this Policy, the Director of Finance and the Executive Director (or their delegates) shall be jointly authorized to enter into day-to-day cash management arrangements with banks, investment dealers and brokers, and other financial institutions for the purchase, sale, redemption, issuance, transfer and safekeeping of securities and to execute and sign documents on behalf of VIRL and perform all other related acts in the day-to-day operation of the investment program.

Adoption History

Adopted By:	Date:	
VIRL Board of Trustees	November 2023	
Date Of Next Review: 2028	Review Cycle:	5 years