



LAC LA BICHE COUNTY POLICY

TITLE: INVESTMENT OF SURPLUS CASH ON HAND	POLICY NO: CS-10-001
RESOLUTION: 10.007	EFFECTIVE DATE: JANUARY 12, 2010
LEAD ROLE: MANAGER, FINANCE	NEXT REVIEW DATE: JULY 31, 2010
SPECIAL NOTES/CROSS REFERENCE: CS-12-002	AMENDMENT DATE:

POLICY STATEMENT:

It is Lac La Biche County’s commitment to effectively manage its investment portfolio and maximize the return on cash investments while minimizing the risk. This policy authorizes the Chief Administrative Officer or Director of Corporate Services to invest surplus funds for short term periods. Long term investments require the authorization of Council.

PROCEDURE:

1. The Chief Administrative Officer or Director of Corporate Services may make such investments in any of the securities authorized by Section 250(2)(a) to (d) of the *Municipal Government Act*.
2. The Chief Administrative Officer or Director of Corporate Services may not make an investment referred to in Section 250(2)(e), of the *Municipal Government Act* nor apply for Ministerial Approval to make such an investment without approval of Council.
3. Definitions:
 - i. Bankers Acceptance Investment held and secured by a specific bank.
 - ii. Best Possible Rate The Rate of Interest that can be obtained within the guidelines of this policy.
 - iii. Commercial Paper Investments held and secured by the corporation whose name is attached to the investment.
 - iv. Dominion Bond Rating An evaluation of a corporation’s stability and security.
 - v. Long Term Investments Investments made for a period more than 365 days.
 - vi. Short Term Investments Investments made for a period not greater than 365 days.
 - vii. Surplus Cash Those funds as determined by Administration, as being in excess of those needed to pay the expected upcoming expenditures.

4. Investments General:

- i. The Chief Administrative Officer or Director of Corporate Services will make investments in accordance with this policy to obtain the best possible rate and term, considering the cash needs of the Municipality.
- ii. The Chief Administrative Officer or the Director of Corporate Services may invest surplus cash in any of the following vehicles:
 - a. Local Banks in term deposits;
 - b. Local Banks in Bankers Acceptance for the following banks: Royal Bank of Canada, Bank of Montreal, Bank of Nova Scotia, Toronto Dominion Bank and the Canadian Imperial Bank of Commerce;
 - c. Local Banks in Commercial Paper with a Dominion Bond rating of R-1-Middle or higher;
 - d. Government of Canada Bonds, Provincial Bonds and Municipal Bonds having a rating of AA1 or higher; and
 - e. In the Servus Credit Union Ltd. providing Provincial investment guarantees remain in place.
- iii. The Director of Corporate Services will submit to Council a summary of the investments and a rate comparison, as part of the financial statements, on a quarterly basis.

5. Long Term Investments:

- i. Long Term Investments, over 365 days, will require authorization of the Council. The primary purpose will be to invest at a high interest rate when rates are anticipated to drop.
- ii. Investments for long terms may be invested in the same vehicles as identified above.

“Original Signed”
Chief Administrative Officer

January 22, 2010
Date

“Original Signed”
Mayor

January 22, 2010
Date