



**DURHAM CATHOLIC
DISTRICT SCHOOL BOARD**
Learning and Living in Faith

POLICY – PO108

Investment of Board Funds and Borrowing for Permanent Improvements

Area: Business and Finance
Source: Chief Financial Officer

Approved: September 28, 2009
Revised: May 11, 2020

1. Introduction

The Durham Catholic District School Board (the “Board”) is committed to ensuring appropriate strategies are in place to effectively manage the investment of Board and school funds.

2. Definitions

Nil

3. Purpose

The purpose of this policy is to establish a framework to ensure compliance with the Education Act and Ontario Regulation 41/10: Board Borrowing, Investing and Other Financial Matters, as amended.

4. Application / Scope

This policy applies to the investment of any funds that are temporarily surplus to the Board’s operating and capital requirements, borrowing for permanent improvements, and the use of commodity price hedging agreements to manage energy price risks.

5. Principles

5.1 The Board:

- 5.1.1 is committed to preserving capital while investing Board funds in accordance with applicable legislation;
- 5.1.2 shall manage investments prudently to preserve capital, maintain required liquidity and ensure compliance with legislative and regulatory obligations;
- 5.1.3 will endeavour to achieve the optimum rate of return on any funds invested;
- 5.1.4 will ensure maximum security of Board funds; and
- 5.1.5 shall manage borrowing prudently and in accordance with applicable legislative and regulatory requirements, including utilizing self-financing where practical to reduce borrowing costs.

6. Requirements

- 6.1 The Chief Executive Officer shall issue administrative procedures to support this policy and amend them thereafter as the need arises.
- 6.2 The Board shall invest funds that are temporarily surplus to its operating and capital requirements in only those securities that are expressly permitted under the Education Act of Ontario and Ontario Regulation 41/10: Board Borrowing, Investing and Other Financial Matters.
- 6.3 The investment of Board funds shall support responsible financial stewardship and the long-term financial sustainability of the Board.
- 6.4 The Board shall maintain sufficient liquidity to support its operational and capital obligations while investing surplus funds.
- 6.5 Borrowing for permanent improvements shall be undertaken in accordance with Ontario Regulation 41/10: Board Borrowing, Investing and Other Financial Matters. Financing shall be obtained through the Ontario Financing Authority or another approved lender, where permitted. Borrowed funds shall be used only for permanent improvements, with repayment terms not exceeding 25 years.
- 6.6 The Board may enter into commodity price hedging agreements to manage fluctuations in energy costs, in accordance with Ontario Regulation 41/10: Board Borrowing, Investing and Other Financial Matters. These agreements shall be used only to fix or limit future energy prices and shall be reported annually to the Board of Trustees.

7. Sources

- 7.1 Education Act
- 7.2 Ontario Regulation 41/10: Board Borrowing, Investing and Other Financial Matters

8. Related Policies and Administrative Procedures

8.1 Investment of Board Funds Administrative Procedure (AP108-1)