

## Administrative Procedure 535

---

### CASH MANAGEMENT AND CREDIT FACILITIES


#### Background

The Division recognizes its responsibility to fund operations by effectively managing cash flow and credit facilities and maximizing investments to achieve the highest return on investment while maintaining maximum security and appropriate liquidity.

#### Procedures

1. The Secretary-Treasurer shall arrange for a financial agreement from financial institutions.
2. Cash balances shall not fall below levels of any externally restricted funds and such funds shall not be accessed for operational purposes.
3. Bank account reconciliations shall be completed and reviewed monthly.
4. Responsibility for the various cash management functions should be clearly assigned to different members of the Financial Services department.
5. Investment of funds shall be made in the following order of priority:
  - 5.1. Safety of principal;
  - 5.2. Rate of return.
6. Investments shall be restricted to those which may be invested under the *Trustee Act* or as otherwise permitted by the Minister of Education.
7. Investments shall be made taking into consideration available cash funds, payment schedules, large commitments, current interest rates and predicted interest rate trends with the goal of maintaining liquidity and maximizing the rate of return and interest income.
8. Funds shall be invested in a manner and time horizon that guarantees a positive cash flow and prevents the use of higher cost operating loans or overdraft lending facilities.
9. Investment returns from defined sources (e.g., scholarship trusts, deferred salary plans, etc.) shall be added to the principal on a pro-rata basis.
10. The Secretary-Treasurer may enter into credit facilities agreements for temporary bank overdraft, Division purchasing cards, and vehicle or technology leases as per **Administrative Procedure 514 Authorized Signatures**.



Reference: Education Act 33, 68, 222, Part 6 Trustee Act	
	Date Approved: April 1, 2021
	Reviewed or Revised: Executive: April, 2021

References shall be updated as required and do not require additional approval.

