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| <p><b>Developed by:</b><br/>Vice President CFO/CIO</p>   | <p><b>Review or Revision by:</b><br/>VP CFO/CIO and Director Finance Administration and Facilities Committee</p> |
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| <p><b>Approved by:</b><br/><br/>Board of Directors</p>   | <p><b>Signature(s):</b></p>  |

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**Policy Statement**

This policy governs the manner in which Hospital surplus funds may be invested and is intended to provide specific guidelines with respect to investment objectives and responsibility, approved investment organizations, approved forms of investment, investment terms and investment limits.

**Investment Objectives**

The investment objectives of the Hospital shall be in the following order of priority:

- a) Protection/Preservation of capital;
- b) Liquidity; and
- c) Income

These objectives will allow the Hospital to:

- a) Maintain funds in high quality, low risk investment vehicles;
- b) Minimize potential loss due to premature liquidation; and
- c) Earn income at a reasonable rate of return.

### **Approved Investment Organizations**

Hospital funds may only be invested in Canadian funds with Government, Banks, Trust Companies and others investment organizations that have been approved by the Administration and Facilities Committee as listed in Appendix A of this policy.

### **Approved Investment Forms**

Hospital funds may be invested with investment organizations as listed in Appendix A of this policy in the following investment forms:

- a) Bonds and Debentures;
- b) Government Treasury Bills; and
- c) High Interest Savings Accounts, Deposit Receipts or Notes, Certificates of Deposit or Investment, Guarantees, Banker's Acceptances or other similar instruments.
- d) Canadian Money Market Exchange Traded Funds

### **Investment Terms**

Funds may be placed in approved investments for the terms of thirty days to two years. Investment of funds for terms in excess of thirty days must include satisfactory redemption clauses (that is, redemption terms must be reasonable and related to the quoted prevailing interest rates over the investment period).

### **Risk**

Inadequate or inappropriate investment strategies may lead to loss of funds (i.e., capital) and reduced income opportunities.

### **Responsibilities/Accountabilities**

The Administration and Facilities Committee of the Board shall review and update this policy for Board approval from time-to-time. This Committee shall also monitor any investments that are made by the Hospital from time-to-time.

The Chief Financial Officer of the Hospital shall invest funds consistent with expectations of this policy, and provide financial reports to the Administration and Facilities Committee of the Board annually or as required.

**Limits**

The maximum amount that may be invested with any one government, company or institution without approval of the Administration and Facilities Committee is \$1,000,000. This limit excludes cash funds that reside in bank accounts for Hospital operations.

**Keywords**

Investments, funds, bonds, treasury bills, deposits

**Appendix A**

**Approved Investment Organizations and Forms**

1. Bonds and Debentures
  - a. Government of Canada
  - b. Provincial – rated DBRS R1 middle or higher
  
2. Government Treasury Bills
  - a. Government of Canada
  - b. Provincial – rated DBRS R1 middle or higher
  
3. High Interest Savings Accounts, Deposit Receipts or Notes, Certificates of Deposit or Investment, Guarantees, Banker's Acceptances or other similar instruments that have been issued, guaranteed or endorsed by:
  - a. a bank (and their subsidiaries) listed in Schedule I or II to the Bank Act (Canada) and rated DBRS R1 middle or higher,
  - b. a loan corporation or trust corporation registered under the Loan and Trust Corporation Act and rated DBRS R1 high or higher,
  - c. Canadian Credit Unions, but preference shall be given to those with government-backed deposit insurance, such as follows:
    - an Ontario credit union to which the Credit Unions and Caisses Populaires Act, 1994 applies and that is named on the List of Insured Credit Unions and Caisses Populaires with the Deposit Insurance Corporation of Ontario,
    - an provincial credit union with deposits that have a 100% guarantee through the Credit Union Deposit Guarantee Corporation and the Credit Union Act,
  - d. The deemed rating for securities issued by a Credit Union will be equal to the rating of the province that the credit union resides in. The provincial credit rating must be DBRS R1 middle or higher.

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4. Canadian Money Market Exchange Traded Fund that's investment objectives are consistent with this policy and holds investments consistent with items #1, 2 and 3 of Appendix A of this policy.
  
  5. An investment brokerage may be engaged to invest on behalf of the Hospital and must adhere to this investment policy in its entirety. In addition:
    - a. The brokerage must be a named Dealer Member regulated by the Investment Industry Regulatory Organization of Canada;
    - b. All transactions made on behalf of the brokerage must require approval from the Hospital;
    - c. The Hospital shall perform due diligence before selecting an investment brokerage.