

Manual	GOVERNANCE POLICY		POLICY
Section 4.0	Ensuring Financial Viability		
Title	INVESTMENTS		
Issuing Body/ Prepared By	Resource Utilization and Audit Committee		
Approved by	Board of Directors		Number: GOV 4.60
Effective Date	O: May 2005	Version 3	File Name: "Lhgdata"(J:)/Dept'l/Admin/Chief Executive Officer/Board and Board Committees/Board BWH/Board Policies/ 4.60 Investments
Revised Date	R: January 2007 December 2010		
Controlled document. Any documents appearing in paper form must be used for reference purposes only. The on-line copy on the file server above must be considered the current documentation.			

Purpose

As part of its responsibility for ensuring financial viability, the Board of Bluewater Health wishes to ensure that investment activities are undertaken in a manner designed primarily to preserve and safeguard capital, and secondarily to optimize investment return. This policy sets out processes to support the Board in fulfilling this responsibility.

Policy

Preservation of both the operating and capital funds are of paramount importance in the administration of the investment policy. The mix of investments must adhere with current legislated requirements and be within the powers of the Hospital Board as set out in the By-Laws.

The investment mix should generate a steady, dependable and predictable flow of revenue from year to year. In all cases, maturity dates of investments shall recognize the forecasted cash flow requirements for operating and capital expenses.

The Board hereby delegates responsibility and authority to the CEO to invest surplus-to-need funds in order to optimize investment return while minimizing the risk of loss.

Investments may take two forms:

1. Long term (greater than 12 months) investments shall be limited to:
 - a) Debt obligations issued or guaranteed by the Government of Canada;
 - b) Debt obligations issued or guaranteed by a Province of Canada provided the instruments are rated, and continue to be rated, at least AA or equivalent, by a recognized rating agency;

- c) Debt obligations issued or guaranteed by a Canadian municipal government provided the instruments are rated, and continue to be rated, at least AA or equivalent, by a recognized rating agency;
 - d) Debt obligations issued or guaranteed by a corporation, incorporated under the laws of Canada or a province thereof, provided the instruments are rated, and continue to be rated, at least A-1 or equivalent, by a recognized rating agency;
 - e) Bankers' acceptances, bonds or term deposit receipts of a Canadian chartered bank which are rated, and continue to be rated at least A-1 or equivalent, by a recognized rating agency; and
 - f) Equity-based instruments of a corporation, incorporated under the laws of Canada or a province thereof, with the approval of the Board.
2. Short term (12 months or less) investments shall be limited to:
- a) Cash or cash equivalents held on deposit at the Hospital's chartered bank, other Canadian chartered bank or regulated investment agency;
 - b) Short term instruments such as Treasury Bills or Guaranteed Investment Certificates when the rate of return is superior to cash or cash equivalents.

Monitoring

Method & Frequency: 1. Review of the Policy (every three years)
2. Investment Review (quarterly)