

## Short-Term Cash Investment Policy

Office of Administration:	Office of Vice President Administration and Finance
Approval Authority:	Board of Governors
Approval Date:	February 17, 2023
Next Review:	& 06 μ 06 Ç î î î ô
Review History:	

1. Purpose

The purpose of the policy is to provide direction that will support the effective management of Laurentian University's cash balances as part of its ongoing operations, the University accumulates cash balances, which fluctuate during the fiscal year and may not be immediately required. It is expected that the University would optimize investment earnings on excess cash balances while protecting capital invested. Therefore, excess funds not immediately required to support operations should be invested in a manner that provides appropriate security, liquidity and diversification. The primary objective for the short-term investments is to earn a rate of return, net of fees, that exceeds the rate of return earned on Current Account bank balance.

2. Scope

This policy does not apply to the University's Endowment and Pension Funds, which are covered by separate Statement of Investment Policy and Procedures (SIPP)

3. Policy Statement

The Board of Governors provides oversight for assets invested by the University. Responsibility for investment management of short-term investments is delegated to the Financial Services Department, under the direction of Vice President Finance and Administration.

The Financial Services Department is responsible to

- i. Managing cash flow to meet ongoing liquidity needs
- ii. Investing excess cash funds in accordance with this Policy
- iii. Providing regular reports to the Board regarding investment performance and compliance with the Policy

#### 4. Investment Objectives

The investment of excess cash balances must satisfy the following investment criteria:

- Capital Preservation– Security of the invested funds must be a prime consideration in selecting investments. Investments shall be undertaken in a manner that ensures the preservation of capital in the overall portfolio whilst managing credit risk and interest rate risk
- Liquidity– A high level of liquidity must be maintained in the portfolio of investments to meet all reasonably anticipated operating and capital requirements and to provide the ability to adjust the portfolio in changing

and Moody's Investors Services.

Diversification

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