

Policy History
Policy No. FM2
Approving Jurisdiction: Board of Governors
Administrative Responsibility: Vice President Finance & Administration
Effective Date: June 20, 2012

Management and Investment of Operating Funds Policy

CONTEXT AND PURPOSE

The University Act, section 57 states the following: “Subject to a contrary intent expressed in a gift, devise, bequest of trust, section 15 of the Trustee Act does not apply to investments made by a board of a university and each board (a) may invest money belonging to the university and available for investment, and (b) must, when investing under paragraph (a), make investments that a prudent person would make.”

The Board of Governors has assigned responsibility for the short and long-term financial health of the University to the Finance and Audit Committee including the following wording in the Terms of Reference: the Committee’s mandate regarding the short and long-term financial health of the University includes but is not limited to overseeing: The development of University policies governing financial, budgetary, investment, borrowing and risk management matters.

The intent of this Policy and related Procedures is to ensure that the University has made appropriate arrangements for the investment of its various funds to ensure that capital is preserved, that the funds generate a reasonable rate of return and that liquidity is available when funds are required for their intended purposes.

SCOPE AND LIMITS

This Policy and Procedures relates to all funds under the control of the University including:

- (1) short term operating funds
- (2) endowment funds
- (3) non-endowment investment funds
- (4) other funds as may be identified from time to time

The Kwantlen Polytechnic University Foundation manages their own funds and is not bound by this Policy and Procedures.

STATEMENT OF POLICY PRINCIPLES

1. Kwantlen will establish an investment strategy for its various funds that meets the needs of the University and its constituents.
2. The University will annually review the investment strategy with the Finance and Audit Committee of the Board and seek approval when changes are made to the investment strategy.
3. The University, on the advice of the Finance and Audit Committee, may hire professional financial advisors to advise the University and its Investment Committee on an investment strategy that best meets its investment goals.
4. An Investment Policy Statement and Strategies will be established by the University and approved by the Finance and Audit Committee of the Board with the overall aim of preserving capital, generating returns that are linked to recognized benchmarks and ensuring liquidity to meet the needs of the University and the purposes of each of its funds; minimization of risk and volatility will be an over-riding factor governing the University's investment strategy.

DEFINITIONS

Refer to the related Procedures document for definitions which will enhance the reader's interpretation of this Policy.

RELATED POLICIES & LEGISLATION

University Act, section 57

Board Governance Policy 3.5 Financial Condition and Activities

Board Governance Policy 3.6 Asset Protection

RELATED PROCEDURES

FM2 Management and Investment of Operating Funds Procedure

FM2 Investment Policy Statement and Strategies