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## Investments Policy

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Executive Sponsor:	Chief Financial Officer & Vice President Finance and Corporate Services
Department Responsible:	Financial Services
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### Policy Statement

BCIT recognizes that it receives public funds and invests prudently to preserve capital and ensure liquidity while maximizing returns. Ethical investment considerations form an integral part of the Institute's values.

### Purpose of Policy

The purposes of this policy are

- to establish an appropriate investment philosophy that reflects BCIT's risk tolerance,
- to establish a process for governing investment strategies, and
- to delegate authority for making and managing investments.

### Who This Policy Applies To

The policy applies to the Audit and Finance Committee, the President, the Chief Financial Officer and Vice President, Finance and Corporate Services, and employees in the Department of Financial Services.

### Scope

This policy applies to all BCIT investments of non-endowment funds and to British Columbia Investment Management Corporation (BCI) managed sinking fund investments.

### Related Documents and Legislation

#### Provincial Legislation

*Trustee Act*, RSBC 1996, c 465

#### Standards

Public Sector Accounting Standards

### Definitions

The following definitions apply to this policy and its associated procedures.

**Audit and Finance Committee:** means the BCIT Board of Governors standing committee on Audit and Finance.

**CFO:** means the Chief Financial Officer and Vice President, Finance and Corporate Services.

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**Department:** means BCIT's Department of Financial Services.

**investments manager:** means an external investment firm or professional who manages BCIT's long-term investments, and includes fund managers and asset managers.

**investment standards:** means the standards set out in Procedure 2030, Investment Standards.

**long-term investments:** means funds that are invested for longer than a one year.

**short-term investments:** means funds that are invested for less than one year.

## Guiding Principles

1. BCIT's fundamental objectives for investing are, in order of priority:
  - a. preserving capital;
  - b. ensuring liquidity; and
  - c. maximizing total rate of return on assets, including both income and capital appreciation.
2. BCIT will only invest with firms and in securities that meet prudent investing standards.
3. Sufficient cash funds must be maintained to meet operating requirements.
4. Investment strategies should:
  - a. facilitate flexibility;
  - b. promote diversification by asset class, and within asset classes among economic sector, industry, quality and size; and
  - c. consider investment managers' outlooks for interest rates and equity market returns.
5. Return on investment will be measured by the total return concept including interest and dividend income and capital gains (or losses).
6. Cash and short-term investments are to be managed by Department of Financial Services.
7. Long-term investments are to be managed by an approved investment manager.
8. Voting rights associated with long-term securities are to be delegated to the assigned investment manager.
9. The Institute seeks to manage its investments in an ethical and socially responsible manner and does not wish directly to profit from, or provide capital to, activities that are materially inconsistent with its values or strategic plan.

## Duties and Responsibilities

### Audit and Finance Committee

The Audit and Finance Committee is responsible for, on an ongoing basis and based on advice from the President and CFO, approving investments strategies that reflect the Guiding Principles and comply with the investment standards.

**President**

The President delegates to the CFO the authority to negotiate, execute and manage contracts of service with investment managers on behalf of BCIT. The President is also responsible for ensuring conformance with the Guiding Principles.

**Chief Financial Officer and Vice President, Finance and Corporate Services**

The CFO is responsible for

- promoting conformance with the Guiding Principles and compliance with the investment standards,
- providing advice to the Audit and Finance Committee on investment strategies,
- obtaining advice from investment managers on investment strategies for long-term securities,
- directing investment managers to implement approved investment strategies for long-term securities and to comply with the investment standards,
- providing direction to investment managers on managing any attributes of securities that do not relate directly to investing,
- directing Department staff to implement approved investment strategies for short-term securities and to comply with the investment standards, and
- reporting to the Audit and Finance Committee on the status of investments, including returns.

The CFO is authorized to negotiate, execute and manage contracts of service with investment managers on behalf of BCIT.

**Procedures Associated With This Policy**

Procedure 2030-PR1, Investment Standards

**Forms Associated With This Policy**

None.

**Amendment History**

		<u>Approval Date</u>	<u>Status</u>
Created:	Policy 2030 version 1	2012 Nov 27	Replaced
Revised:	Policy 2030 version 2	2014 Nov 25	Replaced
Revised:	Policy 2030 version 3	2022 Jun 01	In Force

**Scheduled Review Date**

2024 June 01