

Banking, Borrowing and Investment Policy

Policy Number	<i>BOH119</i>	Approved Date	<i>February 20, 2019</i>
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REVISION HISTORY

Reviewed		Amended:	March 20, 2024
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Purpose

The purpose of this policy is to ensure that directors and officers of the Corporation are aware of, and comply with, the requirements, guidelines and processes governing the financing of the business and affairs of the Corporation.

Scope

This policy applies to all decisions made by the board of directors of the Corporation (the “**Board**”) with respect to banking, borrowing and investment.

Regulation

a) Banking

The Board shall approve any federally/ provincially regulated financial institution(s) in good standing with which the Corporation wishes to conduct business.

b) Borrowing

The Board, in accordance with the by-laws of the Corporation, is authorized to:

- i. borrow money on the line of credit of the Corporation;
- ii. issue, sell or pledge securities (including bonds or debentures, notes or other similar obligations, secured or unsecured) of the Corporation; and
- iii. charge, mortgage or pledge any or all or any of the real or personal property of the Corporation, including book debts and unpaid calls, rights and powers, franchises and undertakings, to secure any securities or for any money borrowed, or other debt, or any other obligation or liability of the Corporation.

The Corporation must obtain written consent from its obligated municipalities prior to securing any form of borrowing by providing security in its real property in accordance with the *Municipal Act*. For certainty, the Corporation may provide security in its personal property or choses in action without municipal consent. The Corporation may not provide security in its funding under its Accountability Agreement and Annual Service Plan with the Ministry of Health.

c) Lending

The Corporation shall not make any loans to a third-party unless authorized by Board resolution.

d) Investing

Subject to the Board's supervision:

- i. the Medical Officer of Health of the Corporation (the "**MOH**") shall manage the operating funds of the Corporation with a view to maximizing interest generated on all accounts while ensuring appropriate liquidity such that funds are readily available to cover all foreseeable operating costs;
- ii. the MOH shall invest any surplus municipal funds of the Corporation in highly liquid, safe, short-term investments, with a view to maximizing interest while staggering maturity dates to allow expenditures in accordance with the Corporation's approved budget.

Where the surplus funds of the Corporation, which is defined as unallocated funds in excess of operating expenses, are greater than \$3,000,000, management is permitted to retain a competent, independent financial advisor from a reputable financial institution to assist with the investment of the funds.

The objective of this investment policy shall be to preserve the capital of the Corporation and avoid imprudent investments. Accordingly, the MOH/ investment committee, as applicable, shall be reasonable, prudent, ethical and conservative in its investment approach at all times.

e) Management of the Line of Credit of the Corporation

Subject to the supervision of the MOH or his/her designate, the MOH or his/her designate shall delegate authority to manage and administer any line of credit maintained by the Corporation to a Director in accordance with the following principles:

- i. the balance of the line of credit shall be maintained at the lowest amount possible to minimize interest charges;
- ii. prior written approval of the Board shall be obtained prior to making: (i) any single transfer of funds from the line of credit exceeding \$25,000.00; or (ii) transfers of funds from the line of credit exceeding \$100,000.00 in the aggregate over a ninety (90) day period; provided that if circumstances are such that Board approval cannot be obtained in a timely manner, the Medical Officer of Health plus one of either the Board Chair or Board Vice Chair shall be delegated the authority to approve the transfer of funds on behalf of the Board, and the Board shall be informed of this approval at the Board's next regular meeting;
- iii. ensure that a list of the transactions related to the line of credit is included in the Corporation's quarterly reports of financial compliance to allow the MOH to review such transactions; and
- iv. ensure that each of the Board's quarterly financial statements includes a note listing

the balance of the line of credit as at the financial statement's date; (ii) the amount of funds drawn from the line of credit during the preceding quarter and the purpose of such withdrawals; and (iii) the projected withdrawals from the line of credit for the next quarter and the purpose of such withdrawals.

Amendment

This policy shall be reviewed and approved by the Board every two years, and may be amended from time to time as the Board deems necessary.