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**TITLE:** Treasury Management

**POLICY:** B-2029

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**COMMITTEE:** Finance and Audit

**PASSED:** February 13, 2019

**TOPIC:** Treasury

**REVIEWED:** November 12, 2024

**REVIEW PERIOD:** Every 3 Years

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## Statement

The City of Edmonton Library Board (EPL) shall invest its cash, manage its financial investments, and borrow funds in a prudent manner that will provide EPL with:

- a high level of safety and security,
- best returns,
- lowest cost,
- flexibility, and
- the ability to meet on-going cash flow requirements.

All transactions will conform to legislation and good business practices for public sector organizations.

## Purpose

To establish a set of principles and guidelines for:

1. The prudent investment of EPL cash and financial investments while at the same time preserving capital, liquidity, and a reasonable level of risk given the investment time horizon.
2. The prudent use of borrowings (i.e. debt) in meeting short and long term Board objectives that align with EPL's strategic priorities.

## General Guidelines

### Authority:

1. The Chief Executive Officer is delegated the responsibility of managing cash, investments and borrowings within the guidelines established within this policy.
2. The [Supply Chain Management Policy B-2024](#) provides guidelines and authority for EPL purchases which impact the use of cash, investments and borrowings.

### **Cash and Investments:**

3. EPL cash and investments will be monitored regularly to assess and determine the best ways to maximize investment earnings.
4. The investment term will match the anticipated timing of when funds will be required in the future.
5. Funds not required in the short term (i.e. less than one year) will be invested in a financial institution savings account, longer term Guaranteed Investment Certificates (GIC's), Treasury Bills or the City of Edmonton's Short Term Bond Fund, whichever generates the higher return.
6. Financial instruments (e.g. shares, bonds) transferred to EPL as a donation will be converted to cash within five business days and then invested in a financial institution savings account, GIC's, Treasury Bills or the City of Edmonton's Short Term Bond Fund, whichever rate is higher.
7. EPL Executive will report on investments as part of the overall financial information provided to the Finance and Audit Committee.

### **Borrowing:**

8. EPL may leverage a line of credit available with the City of Edmonton or through the banks as a way of managing overall working capital for EPL. Interest is calculated based on the City's short term weighted average investment rate or the available bank rates.
9. Within The Libraries Act, EPL is authorized to secure debenture borrowings through the City of Edmonton to support the purchase of land, buildings and equipment.

### **Related Policies and Documents**

[Libraries Act](#)

[Supply Chain Management Policy](#) B-2014