



POLICY: Investment Policy		POLICY NO: LG 13
POLICY LEVEL: Library Governance	LAST REVIEW / REVISION DATE: March 10, 2026	SCHEDULED REVIEW DATE: April 2027

Investment Policy

The Investment policy is established to ensure that Stratford Public Library Board funds provide optimal returns while balancing risk. The policy provides principles and guidelines designed to ensure that funds are invested in such a manner that both liquidity and growth are met and assets are protected.

The Library Board’s main objective is to invest discretionary funds in a prudent manner that provides optimal returns while balancing risk and conforming to legislation governing the investment of public and restricted funds.

This policy includes, but is not limited to trusts, endowments, donations and any other excess Library cash balances that are either on deposit or invested and are under the Library Board’s control, further referred to as discretionary funds. It does not apply to the Library’s annual operating funds.

The objectives of this Investment Policy are:

- Adherence to statutory requirements – all investment activities shall be governed by the Ontario Municipal Act, 2001 as amended;
- Preservation of capital – balancing the risk of incurring a capital loss and preserve the value of the invested principal;
- Maintenance of liquidity – short, medium, and long-term investments will be managed to minimize cash flow risks;
- Competitive rate of return – investment yields that maximize returns to ensure continued growth without capital erosion; and
- Comply with donor restrictions – ensure that the terms of reference agreed upon with donors are respected, if applicable.

Responsibility

Responsibility for investment of discretionary funds that are deemed excess to the operations of the library rests with the Finance Oversight Committee as delegated by the Board. The responsibilities of the Finance Oversight Committee with respect to the investment management are:

- Reviewing at least annually, the performance of investments
- Management of reinvestments up to a total of \$100,000
- Proposing new investments to the Board
- Reviewing annually this policy including a reassessment of the return expectations, risk tolerance and recommending policy changes to the Board
- Reporting annually to the Board

The Library Board may delegate some of its responsibilities with respect to the investments to agents and advisors.

Agents and Advisors

The Library Board has established an Agency Endowment Fund with the Stratford Perth Community Foundation (SPCF). The Agency Endowment Fund has been established to invest a portion of the Library Board’s donated Investment Funds. This investment is managed in accordance with the written agreement between the Library Board and the SPCF and the SPCF Investment Policy.



The nature of the arrangement is reviewed periodically by the Library Board and can be amended or cancelled within the terms of the agreement.

Eligible Investments

Discretionary funds administered directly by the Finance Oversight Committee may be invested with a Canadian Deposit Insurance Corporation (CDIC) or a Financial Services Regulatory Authority of Ontario (FSRA) insured commercial financial institution in an interest-bearing savings account, Certificates of Deposit, Term Deposits or Guaranteed Investment Certificates (GIC) with a maturity of 5 years or less. Funds may also be invested into more sophisticated products, through an agent/licensed investment representative. Funds that are managed by an agent/licensed investment representative inherently have increased compliance requirements that ensure the investment product is aligned with the investor's risk profile and objectives

Conflict of Interest

A conflict of interest is defined as any event or circumstance that impairs the ability of any member of the Board or designate, or any employee or consultant to render unbiased and objective advice regarding any investment decision of the portfolio. In such cases, the conflict must be fully disclosed on a timely basis and the member shall withdraw from the meeting during the discussion and voting on the investment decision.

References:

- Ontario Municipal Act, 2001

ORIGINAL DATE ADOPTED	April 8, 2025	Review Cycle	1 year
REVIEW/APPROVAL HISTORY	March 10, 2026		

