



Trust Fund and Investment

Governance

Purpose

The purpose of this Policy is to formulate those investment principles and guidelines which are appropriate to the needs and objectives of the Library, and to define the management structure and monitoring procedures for the ongoing operation of the Trust Fund.

Principles

The Brantford Public Library Board, “the Board”, established the Brantford Public Library Trust, “the Trust”, in 1993 for the benefit of the main library and its branch(es). The Board is declared trustee of the monies, securities, property and other assets contained within the trust.

In order to fulfill its obligations under the Trustee Act, the Library Board invests the money it raises. Funds help by the Library may be grouped and managed as a single investment portfolio and are recorded at market value. Total return on investments includes interest and dividend income as well as realized and unrealized gains and losses, less investment management fees.

Policy

Legislative Requirements

The Investment of Trust funds is governed by the terms of the Trustee Act, R.S.O. 1990 c. T.23.

Specifically:

Section 27 (1) “In investing trust property, a trustee must exercise the care, skills, diligence and judgement that a prudent investor would exercise in making investment.”

Section 25 (5) “A trustee must consider the following criteria in planning the investment of trust property, in addition to any others that are relevant to the circumstances:

1. General economic conditions
2. The possible effective of inflation or deflation
3. The expected tax consequences of investment decisions or strategies
4. The role that each investment or course of action plays within the overall trust portfolio
5. The expected total return from income and the appreciation of capital

6. Needs for liquidity, regularity of income and preservation or appreciation of capital
7. An asset's special relationship or special value, if any, to the purpose of the trust or to one or more of the beneficiaries"

Content

The Library Board will approve an investment plan annually based on criteria outlined in section 27 (5) of the Act taking into account the forecasted expenditure horizon for the funds. The Library Board will also receive an annual update on funds received in the past year, disbursements, approved planned disbursements, and interest earned.

Investments must be made with the care, skills, and diligence that a prudent person in similar circumstances would exercise. Investment practices must comply with the limitations and requirements of applicable laws and regulations. In addition, all investments shall be maintained in such manner as is necessary to avoid any penalty under the Income Tax Act (Canada).

This policy may be changed or modified at any time by action of the Review Committee subject to approval of the Library Board.

History

Supersedes: Not applicable

Background documents, related policies: Brantford Public Library Trust Document -June 1993

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