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November 2017</td><td>Effective Date:
Immediate</td><td>Responsible Agency:
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Issue Date: **September 2009**	Effective Date: **Immediate**	Responsible Agency: **Expenditure Management**	Directive No: **501**
Chapter: **Cash Management**			
Directive Title: **INVESTMENTS**			

1. POLICY

Investments may be made by the Government using surplus funds available from the Consolidated Revenue Fund. Surplus funds are to be invested in a manner that preserves capital and maintains liquidity. These are the primary goals in investing the Government's surplus funds; maximizing rates of return is a secondary goal. The types of investments, and eligible investment issuers, are restricted to those specified in subsection 57(1) of the *Financial Administration Act (FAA)*, which allows the Minister of Finance, on behalf of the Commissioner and in accordance with guidelines established by the Financial Management Board, to invest surplus funds.

2. DEFINITIONS

2.1. Surplus Funds
Surplus funds mean the net positive daily bank balance in the accounts of the Government.

2.2. Liquidity
Liquidity is a quality possessed by a security which enables it to be sold quickly and without substantial price concession.

3. DIRECTIVE

The Minister of Finance may make investments for the Government subject to *S. 57*and *58* of the *FAA*, the Investment Regulations and the provisions of this directive.

4. PROVISIONS

4.1. Delegation of Authority

In accordance with *Section 10* of the *Financial Administration Act*, the Minister of Finance delegates to the Deputy Minister of Finance the powers and responsibilities under *S. 57* and *58* of the *Financial Administration Act.*

4.2. Investment Controls

4.2.1. Investments may only be made in the classes of securities, investments and loans outlined in *S. 57* and *58* of the *Financial Administration Act* and the Investment Regulations, and only from issuers approved by the Deputy Minister of Finance.

4.2.2. Concentration of investments in the securities of any issuer must not exceed the maximum limits (expressed as either total dollars or proportion of portfolio) authorized by the Deputy Minister of Finance.

4.2.3. The term to maturity of investments must be limited to the maximum terms established by the Deputy Minister of Finance.

4.2.4. Investments may only be transacted through banks and investment dealers approved by the Deputy Minister of Finance.

4.2.5. Controls must be developed and maintained by the Deputy Minister of Finance to protect the Government from fraud and major error on its investment activities. These controls must be approved by the Office of the Comptroller General. When the same person is filling both positions the controls must be approved by the Minister of Finance.

4.2.6. Investments should mature or be redeemable in order to make funds available when required for the Government to meet its payment obligations.

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Issue Date: **September 2009**	Effective Date: **Immediate**	Responsible Agency: **Office of the Comptroller General**	Directive No: **502**
Chapter: **Cash Management**			
Directive Title: **BANKING ARRANGEMENTS**			

1. POLICY

S.14 of the *Financial Administration Act (FAA)* requires that all public money shall be deposited in a bank account to the credit of the Government. The financial institutions in which these accounts may be maintained have been designated under Regulation 9903 – Designating Banks Regulations of the *FAA*. It is the policy of the Government to establish controls over the set up and maintenance of these accounts to allow for their efficient operation and to prevent their misuse.

2. DIRECTIVE

The responsibility for establishing bank accounts and determining and enforcing the rules for their operation and signing authorities is hereby assigned to the Comptroller General in accordance with delegated authority and the provisions of this directive.

Separation of duties is an important element of internal control. Departments are to establish, to the extent possible, the maximum division of responsibilities throughout the activities carried out in the expenditure and disbursement process.

3. PROVISION

3.1. The Comptroller General must approve the establishment of, changes to and closing of, all bank accounts operated by the Government.

3.2. Under the authority granted by *S.12(2)* of the *FAA,* the Comptroller General shall establish procedures and systems for controlling the operation of bank accounts and all other banking services that affect the disbursement, receipt, deposit, custody and movement of Government funds.

3.3. The Minister of Finance is the primary signing authority on all Government bank accounts that form part of the Consolidated Revenue Fund. In the event that the signature of the Minister of Finance is unable to be placed on a cheque, the cheque may be issued with the signature of the Deputy Minister of Finance.

3.4. The Comptroller General may authorize additional signing authorities on all bank accounts that form part of the Consolidated Revenue Fund. This authorization must be in writing.

3.5. The Comptroller General shall designate, in writing, signing authorities for all Government bank accounts that do not form part of the Consolidated Revenue Fund.

3.6. The Deputy Minister of Finance shall notify the bank of any additions or deletions to the authorized signing officers and provide the bank with a sample of the signature.

3.7. When the same person is filling both positions, Comptroller General and Deputy Minister of Finance, the Minister of Finance shall notify the bank in writing, signing authorities for all bank accounts that do not form part of the Consolidated Revenue Fund.

3.8. Any signature required under this directive may be a facsimile, provided that the Comptroller General has approved the controls governing its use.

Issue Date: **September 2009**	Effective Date: **Immediate**	Responsible Agency: **Expenditure Management**	Directive No: **503**
Chapter: **Cash Management**			
Directive Title: **FORECASTING CASH FLOW**			

1. POLICY

The cash forecasting component of financial planning is an essential activity in the Government's utilization of its cash resources. It permits the Government to make better investment decisions, identify potential cash shortfalls and ensure stable cash management. Forecasting cash flow will be done on a regular, systematic basis with the involvement of all departments.

2. DEFINITION

2.1 Cash Flow: The movement of cash through an organization reflecting the impact of all cash inflows and outflows on the net cash position. Cash flow items include currency, cheques and EFT transactions.

3. DIRECTIVE

Cash flow information shall be provided to permit the forecast of expected cash transaction activity in order to achieve the optimal use of Government funds and to ensure ongoing solvency.

4. PROVISIONS

4.1. The responsibility to prepare cash flow forecasts rests with the Treasury function of Expenditure Management, Department of Finance.

4.2. Cash flow forecasts will be prepared on a quarterly basis, and more frequently if so directed by the Deputy Minister of Finance.

4.3. All departments will prepare, on a quarterly basis, cash forecasts of anticipated monthly department revenue and expenditure activity. The forecasts will be presented in the format and detail specified by Expenditure Management.

4.4. Departments must advise Expenditure Management of any significant changes to their quarterly forecasts as they become known. Significant variations must be explained.