



BUSINESS ADMINISTRATION

Investment Trust Account 212A

Rationale

The Investment Trust Account (ITA) was established in 1977 by Archbishop James Carney and the Board of Directors. The account was established to serve three purposes:

1. To provide schools with 'bridge' financing while awaiting the government per pupil operating grant disbursement.
2. To provide schools the ability to build up contingency funds to sustain them in the event the government grant was greatly reduced or discontinued. The original goal of the ITA was to save the equivalent of one year's government grant that schools could use while the political battle with the government took place to restore government grant funding.
3. To provide schools the ability to be financially sustainable for an interim period in an unforeseen event(s) affecting all CISVA schools or a singular school (see policy 212).

Policy

A school will be paid the lower of the **Final Budget Government Grant** or the **Actual Government Grant**. If the Actual Government Grant is higher, the excess will be deposited into the ITA under the school's name. The school's ITA principle will accumulate until it equals the amount of one year's government grant for the school. Thereafter, the school will be paid the Actual Government Grant each year, and the ITA will be held in trust as a major contingency fund in case of government funding cutbacks.

If the Actual Government Grant is lower, the school will be paid that amount. Each school will be periodically issued a statement that summarizes the school's government grant activity. This statement is called the *ITA Summary Data Sheet*.

Procedure

- The local school determines its Final Budget by October 15, based on the estimated government per pupil operating grant that is published in the spring. The Ministry of Education revises this estimated figure in December at which time the figure is finalized as the Actual Government Grant per pupil for that year. The ITA Summary Data Sheet issued to schools will reflect the most current information available at the time of issuance.
- Example: The local school estimated Ministry government per pupil grant is \$3,650. For a school of 200 this would be a government grant of \$730,000. In December the Ministry revises the grant to a grant of \$3700 resulting in a total grant of \$740,000. The difference of \$10 000 is then deposited in the Investment Trust Account. In the case where the December revised Ministry grant figure is less than \$3,650, for example \$3,600, then the school would be paid \$720,000 (200 x \$3,600) for that year and ITA would not grow.
- The Investment Trust Account Summary Data Sheet will be sent to schools in August, January, March and June.



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- To assist schools in cash flow during the fall, the ITA provides bridge financing to schools. Schools will be paid the amount of their ITA accumulated principle (less Levy) in four equal installments on or around the last Friday of August, September, October and November. The balance payments to schools to ‘top-up’ their government grants for the remainder of the school will be on or before January 31st, March 30th and, if necessary, June 30th.
- The ITA for each school will be cyclically replenished by the remainder of government grants received in March and June, but not paid.

Reference: Cross-reference: Policy 212	Approved: Board of Directors
	Date Approved: May 6 th 2014
	Date(s) Revised: