

**MINISTRY OF FINANCE
PROVINCIAL TREASURY
FACT SHEET**

NAME: CENTRAL DEPOSIT PROGRAM

**DESCRIPTION: INVESTMENT OPTION FOR SCHOOLS,
UNIVERSITIES, COLLEGES AND HOSPITALS (SUCH
SECTOR)**

- Provincial Treasury's Central Deposit Program (CDP) receives deposits of excess cash from the SUCH sector and other government organizations, pays a competitive deposit return to these entities, and redeploys this cash to offset government cash requirements, thereby reducing debt and the related debt service costs.
- The CDP reduces the Province's levels of borrowing – using idle cash from the SUCH sector and other public sector bodies, ensuring the Province does not incur unnecessary debt. CDP deposits are used to offset government cash requirements and are treated similar to deposits with a financial institution – held on account and available for draw down as and when required.
- The CDP earns competitive returns for school districts, health authorities, post-secondary institutions and crown corporations while providing superior liquidity and lowering investment risk of those funds.
- The CDP was established to address recommendations from the 2010 Office of the Auditor General of B.C. (OAG) report on *Management of Working Capital by Colleges and School Districts*. The CDP remains as one of the key initiatives which address excess liquidity and idle working capital balances in the SUCH sector, as identified by the OAG in its follow-up report.
- The OAG recommended that SUCH sector entities deposit excess cash with the central government in order to improve investment returns and/or reduce debt that would otherwise be incurred as government borrows for purposes such as large capital projects.

Contact: Jim Hopkins, ADM
Division: Provincial Treasury
File Name: Central Deposit Program.docx

Phone: 250 387-9295
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**MINISTRY OF FINANCE
PROVINCIAL TREASURY
FACT SHEET**

- The value proposition of the program is that CDP participants are kept whole in regards to their interest earnings, the government saves on interest costs, overall government debt levels decrease, debt affordability improves and credit rating is protected, more expenditure room can be made available to fund programs and the taxpayer saves.

DATA TABLE: FUNDS ON DEPOSIT

	March 31, 2014	March 31, 2015	March 31, 2016	March 31, 2017
School Districts	311,869,092	714,672,394	740,642,615	839,011,369
Health Authorities	564,280,554	714,373,516	1,091,470,199	1,093,190,849
Universities & Colleges		109,280,208	152,001,905	164,772,831
Crown Corporations	332,233,202	133,716,504	69,750,825	601,877,040
Total Funds On Deposit	1,208,382,849	1,672,042,622	2,053,865,544	2,698,852,089

Additional information:

- The CDP pays a floating deposit rate of Prime minus $s.17$ (School districts, as first adopters, enjoy a superior rate of Prime minus $s.17$).
- CDP's expense is revenue to the receiving entity and is therefore fully offset on consolidation.
- At current forecasted rates, each additional dollar deposited saves about 1.18% of debt costs.
- Each dollar deposited will also lower the debt-to-GDP ratio (+/- \$200 million of debt equals about 0.1% change in debt to GDP ratio).
- Cumulative savings from the start of the program are estimated at approximately \$150 Million.
- The CDP has exceeded its original goal of \$1.7 billion in deposits.
- The balance is expected to grow to \$2.73 billion in 2017/18.

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Central Deposit Program

The Central Deposit Program (CDP) is an offset banking agreement that provides a completely liquid investment option available to all government bodies.

Under the *Financial Administration Act*, "government body" means

- (a) a government corporation,
- (b) a hospital district board, a board of school trustees or a francophone education authority as defined in the *School Act*,
- (c) a university or an institution as defined in the *College and Institute Act*, and
- (d) any other local or Provincial public authority designated by regulation of the Lieutenant Governor in Council;

The *Financial Administration Act* Part 9 specifically authorizes financial agreements between the government and government bodies and; for the efficient management of their money, [to] enter into offset banking agreements.

The program operates similar to a bank account. It is not intended for daily operating transactions; rather it works best for larger amounts (\$1 million +) that are not required for anywhere from a few weeks to multiple months.

The participants send their deposits to a specified provincial bank account and receive interest monthly, calculated on their daily balance. Currently the deposit rate for Crown Corporations is the prime rate of the province's principal banker (CIBC) less ^{s.17} (CIBC prime is 2.7% as of September 1, 2015)

To enroll in the program, an offset banking agreement needs to be signed by both parties. The agreement sets out the rate, confirms that the funds belong to the participant, and provides information about notification and contacts.

Participants are set up with access to the mainframe CDP system and trigger withdrawals by selecting their Certificate of Deposit and specifying the amount to be withdrawn. An EFT payment is generated by that entry and will automatically be deposited into their regular operating bank account in three business days.

For further information, contact Alison Gunn, Sr. Manager Cash Management and Treasury Payments.

Alison.Gunn@gov.bc.ca

(250) 356-1274

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Ministry of Finance
Central Deposit Program
Statistics : By Ministry

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Report Options:
Ministry : - All

	#					
	Certs	Total Deposits	Interest to Date	Withdrawals to Date	Total	
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AE ADVANCED EDUCATION	31	768,158,283.32	6,644,062.23	508,751,676.16	266,050,669.39	
CC CROWN CORPORATIONS	6	1,085,890,000.00	12,488,125.39	482,326,513.85	616,051,611.54	
ED EDUCATION	61	1,463,423,902.18	56,868,813.19	707,159,607.77	813,133,107.60	
HE MINISTRY OF HEALTH	10	1,187,108,233.52	48,040,692.70	232,500,006.00	1,002,648,920.22	
Total:	108	4,504,580,419.02	124,041,693.51	1,930,737,803.78	2,697,884,308.75	

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Central Deposit Program
Statistics : By Government Body

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Report Options:
Ministry : - All

Ministry : AE ADVANCED EDUCATION
Division : 03 UNIVERSITIES (CDP)

	# Certs	Total Deposits	Interest to Date	Withdrawals to Date	Total
0001 UNIVERSITY OF BRITISH COLUMBIA (CDP)	2	341,700,000.00	1,144,657.03	263,226,520.62	79,618,136.41
0002 SIMON FRASER UNIVERSITY (CDP)	1	5,000,000.00	6,943.71	5,005,424.84	1,518.87
0003 UNIVERISTY OF VICTORIA	1	119,000,000.00	177,149.11	110,005,326.02	9,171,823.09
0004 UNIVERSITY OF NORTHERN BC (CDP)	1	501,000.00	21,922.05	0.00	522,922.05
0005 ROYAL ROADS UNIVERSITY (CDP)	1	28,000,000.00	580,584.90	12,000,000.00	16,580,584.90
0008 THOMPSON RIVERS UNIVERSITY (CDP)	1	9,500,000.00	68,143.85	4,500,000.00	5,068,143.85
0010 EMILY CARR UNIVERSITY OF ART AND DESIGN	1	12,500,000.00	178,974.13	11,933,000.00	745,974.13
0011 KWANTLEN POLYTECHNIC UNIVERSITY	1	500,000.00	12,493.25	0.00	512,493.25
0012 VANCOUVER ISLAND UNIVERSITY (CDP)	1	974,000.00	34,561.39	0.00	1,008,561.39
0013 UNIVERSITY OF THE FRASER VALLEY	1	58,025,000.00	233,527.14	53,025,000.00	5,233,527.14
Division Total:	11	575,700,000.00	2,458,956.56	459,695,271.48	118,463,685.08

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Report Options:
Ministry : - All

Ministry : AE ADVANCED EDUCATION
Division : 04 COLLEGES (CDP)

	# Certs	Total Deposits	Interest to Date	Withdrawals to Date	Total
0002 OKANAGAN COLLEGE (CDP)	1	4,500,000.00	67,621.50	2,000,000.00	2,567,621.50
0004 COLLEGE OF THE ROCKIES	4	17,354,108.91	498,978.80	3,354,108.91	14,498,978.80
0006 NORTHWEST COMMUNITY COLLEGE (CDP)	1	3,000,000.00	110,561.00	0.00	3,110,561.00
0007 JUSTICE INSTITUTE OF BC	1	1,050,000.00	18,285.23	0.00	1,068,285.23
0008 CAMOSUN COLLEGE (CDP)	1	17,000,000.00	410,647.09	2,000,000.00	15,410,647.09
0009 SELKIRK COLLEGE (CDP)	1	12,000,000.00	174,605.77	6,275,000.00	5,899,605.77
0010 BRITISH COLUMBIA INSTITUTE OF TECHNOLOGY	1	19,630,000.00	472,293.90	0.00	20,102,293.90
0011 VANCOUVER COMMUNITY COLLEGE	1	9,150,000.00	203,565.99	3,500,000.00	5,853,565.99
0012 NORTHERN LIGHTS COLLEGE (CDP)	1	2,000,000.00	79,903.69	0.00	2,079,903.69
0013 DOUGLAS COLLEGE	1	50,025,000.00	917,103.62	20,025,000.00	30,917,103.62
0017 COLLEGE OF NEW CALEDONIA	2	21,000,000.00	326,188.68	152,320.18	21,173,868.50
0019 NORTH ISLAND COLLEGE	1	4,000,000.00	77,056.25	2,500,000.00	1,577,056.25
0021 LANGARA COLLEGE	1	27,410,000.00	755,251.85	7,510,000.00	20,655,251.85
0022 NICOLA VALLEY INSTITUTE OF TECHNOLOGY	3	4,339,174.41	73,042.30	1,739,975.59	2,672,241.12
Division Total:	20	192,458,283.32	4,185,105.67	49,056,404.68	147,586,984.31

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Report Options:
Ministry : - All

Ministry : CC CROWN CORPORATIONS
Division : 01 CROWN CORPORATIONS

	# Certs	Total Deposits	Interest to Date	Withdrawals to Date	Total
0002 BC IMMIGRANT INVESTMENT FUND LTD	1	364,290,000.00	3,115,287.89	329,212,977.03	38,192,310.86
0004 BC HOUSING MANAGMENT COMMISSION	1	650,000,000.00	8,705,435.95	102,862,481.03	555,842,954.92
0005 BC PUBLIC SCHOOL EMPLOYERS' ASSOCIATION	1	7,000,000.00	104,750.43	3,050,000.00	4,054,750.43
0006 GREAT NORTHERN WAY CAMPUS TRUST	1	18,000,000.00	271,258.76	7,000,000.00	11,271,258.76
0007 BC TRANSIT	1	40,000,000.00	222,808.18	40,201,055.79	21,752.39
0008 HEALTH EMPLOYERS ASSOCIATON OF BC	1	6,600,000.00	68,584.18	0.00	6,668,584.18
Division Total:	6	1,085,890,000.00	12,488,125.39	482,326,513.85	616,051,611.54

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Report Options:
Ministry : - All

Ministry : ED EDUCATION
Division : 01 SCHOOL DISTRICTS

	# Certs	Total Deposits	Interest to Date	Withdrawals to Date	Total
0005 SD#5 SOUTHEAST KOOTENAY	1	10,500,000.00	292,913.99	5,365,514.65	5,427,399.34
0006 SD#6 ROCKY MOUNTAIN	1	5,000,000.00	171,771.57	4,000,000.00	1,171,771.57
0008 SD#8 KOOTENAY LAKE	1	4,000,000.00	208,408.66	2,035,000.00	2,173,408.66
0019 SD#19 REVELSTOKE	1	1,300,000.00	53,932.51	400,000.00	953,932.51
0020 SD#20 KOOTENAY-COLUMBIA	1	500,000.00	11,894.65	0.00	511,894.65
0022 SD#22 VERNON	1	10,000,000.00	511,854.42	0.00	10,511,854.42
0023 SD#23 CENTRAL OKANAGAN	1	39,100,000.00	631,595.79	32,600,000.00	7,131,595.79
0027 SD#27 CARIBOO-CHILCOTIN	1	3,000,000.00	276,953.38	351,657.49	2,925,295.89
0028 SD#28 QUESNEL	1	800,000.00	65,877.82	0.00	865,877.82
0033 SD#33 CHILLIWACK	1	45,500,000.00	1,560,868.50	26,500,000.00	20,560,868.50
0034 SD#34 ABBOTSFORD	1	30,052,000.00	1,532,598.10	12,000,000.00	19,584,598.10
0035 SD#35 LANGLEY	1	30,008,925.00	1,327,875.56	10,008,925.00	21,327,875.56
0036 SD#36 SURREY	1	50,000,000.00	3,385,230.91	10,000,000.00	43,385,230.91
0037 SD#37 DELTA	1	36,500,000.00	1,940,989.76	17,500,000.00	20,940,989.76
0038 SD#38 RICHMOND	1	80,000,000.00	4,968,032.95	0.00	84,968,032.95
0039 SD#39 VANCOUVER	1	194,500,000.00	7,735,318.04	108,500,000.00	93,735,318.04
0040 SD#40 NEW WESTMINSTER	1	23,500,000.00	620,424.19	14,305,000.00	9,815,424.19
0041 SD#41 BURNABY	1	107,000,000.00	4,959,277.91	43,500,000.00	68,459,277.91
0042 SD#42 MAPLE RIDGE-PITT MEADOWS	1	56,200,000.00	2,525,653.25	27,000,000.00	31,725,653.25
0043 SD#43 COQUITLAM	1	347,681,055.00	6,585,967.70	220,641,902.16	133,625,120.54
0044 SD#44 NORTH VANCOUVER	1	30,800,000.00	1,591,995.19	7,000,000.00	25,391,995.19
0045 SD#45 WEST VANCOUVER	1	18,000,000.00	840,038.95	12,500,000.00	6,340,038.95
0046 SD#46 SUNSHINE COAST	1	11,000,000.00	436,410.53	7,000,000.00	4,436,410.53
0047 SD#47 POWELL RIVER	1	750,000.00	30,652.08	500,000.00	280,652.08
0048 SD#48 SEA TO SKY	1	5,000,000.00	301,809.07	0.00	5,301,809.07
0049 SD#49 CENTRAL COAST	1	500,000.00	26,150.70	0.00	526,150.70
0050 SD#50 HAIDA GWAII	1	700,000.00	32,781.22	0.00	732,781.22
0051 SD#51 BOUNDARY	1	1,250,000.00	75,605.17	0.00	1,325,605.17
0052 SD#52 PRINCE RUPERT	1	1,862,000.00	101,788.73	0.00	1,963,788.73
0053 SD#53 OKANAGAN SIMILKAMEEN	1	1,500,000.00	95,160.17	0.00	1,595,160.17
0054 SD#54 BULKLEY VALLEY	1	3,000,000.00	163,543.72	0.00	3,163,543.72
0057 SD#57 PRINCE GEORGE	1	56,600,000.00	1,203,619.75	44,000,000.00	13,803,619.75
0058 SD#58 NICOLA-SIMILKAMEEN	1	3,000,000.00	139,762.34	0.00	3,139,762.34
0059 SD#59 PEACE RIVER SOUTH	1	8,500,000.00	578,645.53	2,000,000.00	7,078,645.53
0060 SD#60 PEACE RIVER NORTH	1	18,050,000.00	354,659.27	9,250,000.00	9,154,659.27
0061 SD#61 GREATER VICTORIA	1	39,000,000.00	3,414,880.17	3,698.63	42,411,181.54
0062 SD#62 SOOKE	2	30,739,720.97	961,584.71	25,217,176.72	6,484,128.96
0063 SD#63 SAANICH	1	9,900,000.00	644,101.74	2,500,000.00	8,044,101.74
0064 SD#64 GULF ISLANDS	2	2,690,077.42	171,526.76	750,000.00	2,111,604.18
0067 SD#67 OKANAGAN SKAHA	1	11,000,000.00	214,875.27	10,050,000.00	1,164,875.27
0068 SD#68 NANAIMO-LADYSMITH	1	17,000,000.00	1,256,004.05	5,000,000.00	13,256,004.05
0069 SD#69 QUALICUM	1	5,500,000.00	308,618.91	0.00	5,808,618.91
0070 SD#70 ALBERNI	1	1,000,000.00	37,834.66	500,000.00	537,834.66

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Report Options:
Ministry : - All

Ministry : ED EDUCATION
Division : 01 SCHOOL DISTRICTS

	# Certs	Total Deposits	Interest to Date	Withdrawals to Date	Total
0071 SD#71 COMOX VALLEY	1	8,000,000.00	405,902.35	2,000,000.00	6,405,902.35
0072 SD#72 CAMPBELL RIVER	1	6,000,000.00	401,437.46	0.00	6,401,437.46
0073 SD#73 KAMLOOPS-THOMPSON	1	28,157,655.00	696,059.76	22,500,000.00	6,353,714.76
0074 SD#74 GOLD TRAIL	1	9,500,000.00	389,522.31	1,500,000.00	8,389,522.31
0075 SD#75 MISSION	1	4,500,000.00	202,334.02	0.00	4,702,334.02
0078 SD#78 FRASER-CASCADE	1	6,100,000.00	387,438.10	1,500,000.00	4,987,438.10
0079 SD#79 COWICHAN VALLEY	1	9,500,000.00	684,356.41	0.00	10,184,356.41
0081 SD#81 FORT NELSON	1	4,887,000.00	108,964.98	3,975,468.26	1,020,496.72
0082 SD#82 COAST MOUNTAINS	1	7,100,000.00	81,341.19	5,100,000.00	2,081,341.19
0083 SD#83 NORTH OKANAGAN-SHUSWAP	1	8,750,000.00	515,446.61	5,600,000.00	3,665,446.61
0084 SD#84 VANCOUVER ISLAND WEST	1	300,000.00	14,984.61	0.00	314,984.61
0085 SD#85 VANCOUVER ISLAND NORTH	1	1,700,000.00	63,525.02	0.00	1,763,525.02
0087 SD#87 STIKINE	1	3,700,000.00	223,205.63	0.00	3,923,205.63
0091 SD#91 NECHAKO LAKES	1	3,185,468.79	131,166.83	5,264.86	3,311,370.76
0092 SD#92 NISGA'A	1	260,000.00	10,586.23	0.00	270,586.23
0093 SD#93 FRANCOPHONE EDUCATION AUTHORITY	1	9,300,000.00	203,053.33	4,000,000.00	5,503,053.33
Division Total:	61	1,463,423,902.18	56,868,813.19	707,159,607.77	813,133,107.60

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Report Options:
Ministry : - All

Ministry : HE MINISTRY OF HEALTH
Division : 11 PROVIDENCE HEALTH CARE (CDP)

	# Certs	Total Deposits	Interest to Date	Withdrawals to Date	Total
0099 PROVIDENCE HEALTH CARE (CDP)	2	12,549,251.39	405,240.67	1,000,000.00	11,954,492.06
Division Total:	2	12,549,251.39	405,240.67	1,000,000.00	11,954,492.06

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*** As At: MAR 01,2018 ***

Report Options:
Ministry : - All

Ministry : HE MINISTRY OF HEALTH
Division : 12 FRASER HEALTH AUTHORITY (CDP)

	# Certs	Total Deposits	Interest to Date	Withdrawals to Date	Total
0099 FRASER HEALTH AUTHORITY (CDP)	3	218,567,855.36	11,155,630.45	500,000.00	229,223,485.81
Division Total:	3	218,567,855.36	11,155,630.45	500,000.00	229,223,485.81

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Central Deposit Program
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*** As At: MAR 01,2018 ***

Report Options:
Ministry : - All

Ministry : HE MINISTRY OF HEALTH
Division : 13 INTERIOR HEALTH AUTHORITY (CDP)

	# Certs	Total Deposits	Interest to Date	Withdrawals to Date	Total
0099 INTERIOR HEALTH AUTHORITY (CDP)	1	250,547,472.30	8,821,028.28	65,000,000.00	194,368,500.58
Division Total:	1	250,547,472.30	8,821,028.28	65,000,000.00	194,368,500.58

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Report Options:
Ministry : - All

Ministry : HE MINISTRY OF HEALTH
Division : 14 NORTHERN HEALTH AUTHORITY (CDP)

	# Certs	Total Deposits	Interest to Date	Withdrawals to Date	Total
0099 NORTHERN HEALTH AUTHORITY (CDP)	1	32,578,595.87	1,425,538.82	0.00	34,004,134.69
Division Total:	1	32,578,595.87	1,425,538.82	0.00	34,004,134.69

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Report Options:
Ministry : - All

Ministry : HE MINISTRY OF HEALTH
Division : 15 VANCOUVER COASTAL HEALTH AUTHORITY (CDP)

	# Certs	Total Deposits	Interest to Date	Withdrawals to Date	Total
0099 VANCOUVER COASTAL HEALTH AUTH (CDP)	1	371,485,512.00	15,120,297.42	0.00	386,605,809.42
Division Total:	1	371,485,512.00	15,120,297.42	0.00	386,605,809.42

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Central Deposit Program
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Report Options:
Ministry : - All

Ministry : HE MINISTRY OF HEALTH
Division : 16 VANCOUVER ISLAND HEALTH AUTHORITY (CDP)

	# Certs	Total Deposits	Interest to Date	Withdrawals to Date	Total
0099 VANCOUVER ISLAND HEALTH AUTH (CDP)	1	236,884,546.60	9,164,392.11	141,000,005.00	105,048,933.71
Division Total:	1	236,884,546.60	9,164,392.11	141,000,005.00	105,048,933.71

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Report Options:
Ministry : - All

Ministry : HE MINISTRY OF HEALTH
Division : 19 PROVINCIAL HEALTH SERVICES AUTH (CDP)

	# Certs	Total Deposits	Interest to Date	Withdrawals to Date	Total
0099 PROVINCIAL HEALTH SERVICES AUTH (CDP)	1	64,495,000.00	1,948,564.95	25,000,001.00	41,443,563.95
Division Total:	1	64,495,000.00	1,948,564.95	25,000,001.00	41,443,563.95

OFFSET BANKING AGREEMENT – CENTRAL DEPOSIT PROGRAM

THIS AGREEMENT dated for reference the _____ day of _____ 20____.

BETWEEN:

HER MAJESTY THE QUEEN IN RIGHT OF THE PROVINCE OF BRITISH COLUMBIA, represented by the Minister of Finance

(the "**Province**")

AND:

The Board of Education of School District No. _____, a body corporate, continued as a corporation under the *School Act*, R.S.B.C. 1996, Chapter 412

(the "**Board**")

WHEREAS:

- A. The Board is a "government body" within the meaning of the *FAA*.
- B. Sections 76(1)(a)(ii) and 77(1)(a) and (c) of the *FAA* authorize the Province and the Board to enter into offset banking agreements for the efficient management of the Board's money.
- C. The Province and the Board wish to enter into an offset banking agreement for the efficient management of the Board's money on the terms and conditions set out in this Agreement.

NOW THEREFORE the parties agree as follows:

I. DEFINITIONS

1.01 In this Agreement, unless the context otherwise requires:

- (a) "**Agreement**" means this Agreement as it may be amended, extended or renewed from time to time by the parties in writing, including the above recitals;
- (b) "**Business Day**" means a day, other than a Saturday or Sunday, on which Provincial government offices are open for normal business in British Columbia;

- (c) **"Board Funds"** means the money of the Board held by the Province as part of the Central Deposit Program and as a result of this Agreement, and includes any accumulated interest earned on such money;
- (d) **"Certificate of Approval System"** means the electronic funds disbursement system maintained and administered by the Banking and Cash Management Branch, Provincial Treasury, Ministry of Finance;
- (e) **"Central Deposit Program"** means the program within the Certificate of Approval System which has been created to ensure the efficient management of public money by receiving excess cash balances from government bodies to offset government cash and borrowing requirements, while providing government bodies interest compensation and account administration;
- (f) **"Deposit Account"** means the Province's account number **bank 0010 transit 00090** ^{s.17} at the CIBC located at 1175 Douglas Street, Victoria, British Columbia;
- (g) **"Effective Date"** means _____;
- (h) **"FAA"** means the *Financial Administration Act*, R.S.B.C. 1996, c. 138;
- (i) **"Minister"** means the Minister of Finance;
- (j) **"Term"** means the term of this Agreement described in section 4.01;
- (k) **"Transaction Record"** means the record of
 - (i) deposits of money made by the Board into the Deposit Account;
 - (ii) withdrawals by the Board of Board Funds from the Withdrawal Account; and
 - (iii) interest earned on Board Funds,
 as entered into the Central Deposit Program;
- (l) **"Withdrawal Account"** means the Province's account number **bank 0809 transit 75180** ^{s.17} at the Central 1 Credit Union located at 1441 Creekside Drive, Vancouver, British Columbia;
- (m) **"Withdrawal Procedures"** means the procedures established by the Banking and Cash Management Branch, Provincial Treasury, Ministry of Finance for use of the Central Deposit Program; and
- (n) **"Withdrawal Request"** means an electronic withdrawal of Board Funds request, made in accordance with the Withdrawal Procedures.

II. THE ACCOUNTS

- 2.01 The Board may cause money to be deposited into the Deposit Account from time to time during the Term.
- 2.02 Upon the Board's first deposit of money, as contemplated under section 2.01, the Province will create an electronic Transaction Record under the Board's name in the Central Deposit Program.
- 2.03 The electronic Transaction Record, as described in section 2.02, will be updated from time to time by the Province to show any deposits of money made by the Board into the Deposit Account, withdrawals of Board Funds from the Withdrawal Account, and the amount of any interest earned on Board Funds as described in Article III of this Agreement.
- 2.04 The Board may request to have Board Funds withdrawn from the Withdrawal Account by making a Withdrawal Request.
- 2.05 The Province will ensure that payment to the Board of withdrawn Board Funds under section 2.04 will occur within three Business Days from the date that the Withdrawal Request is made by the Board.
- 2.06 The Board acknowledges and agrees that during the Term the only interest terms respecting the Board Funds are those interest terms described in Article III.
- 2.07 The Province acknowledges and agrees that, unless otherwise authorized by law, the Board, or its lawful successor or successors by statutory amalgamation, subdivision or reconstitution, is and will at all times be entitled to withdraw the outstanding balance of Board Funds in accordance with the Withdrawal Procedures, without deduction, set-off or forfeiture in any event.

III. INTEREST ON THE BOARD FUNDS

- 3.01 Interest on the Board Funds will be calculated on the daily closing balance of Board Funds, determined by reference to the Transaction Record.
- 3.02 The annual rate of interest applicable to the daily closing balances of Board Funds described in section 3.01 will be as follows:
 - (a) up to February 28, 2013, the prime lending rate of the principal banker to the Province less ^{s.17} percent; and
 - (b) after February 28, 2013, the prime lending rate of the principal banker to the Province less ^{s.17} percent, not to exceed the Province's ten year cost of borrowing.
- 3.03 The Province will notify the Board in writing of any proposed change to the interest formula or base referred to in section 3.02, provided that any such change may not

take effect until thirty days after delivery of such notice and the Board may at any time during or after that thirty day period elect to withdraw the entire balance of the Board Funds in accordance with the Withdrawal Procedures.

- 3.04 Interest allocated to the Board Funds under this Article III will be allocated monthly in arrears.

IV. TERM

- 4.01 Notwithstanding the actual date of execution and delivery of this Agreement, the term of this Agreement will commence on the Effective Date and will continue indefinitely until terminated by either party upon at least 90 days' written notice to the other party.

V. GENERAL COVENANTS

- 5.01 So long as this Agreement is in effect, the Board will maintain its corporate existence and carry on and conduct itself, and keep or cause to be kept proper books of account, in accordance with its bylaws and statutory obligations.
- 5.02 The Board will not by virtue of its relationship with the Province under this Agreement, commit or purport to commit the Province or the Minister to the payment of any money to any person, in any manner whatsoever.
- 5.03 The Board will not, without the prior written consent of the Minister, assign, either directly or indirectly, this Agreement or any right of the Board under this Agreement.

VI SUBJECT TO REGULATION

- 6.01 This Agreement is subject to any regulation of the Lieutenant Governor in Council which may be made under section 79 of the *FAA* establishing restrictions, limits or conditions on the authority of either the Province or the Board to enter into offset banking agreements.

VII. NOTICES

- 7.01 Any notice, statement or other document that either party may be required or may desire to give or deliver to the other shall be conclusively deemed to be validly given or delivered to and received by the addressee:
- (a) if delivered personally to the addressee's physical address specified below, on the day of delivery;
 - (b) if mailed to the addressee's physical address specified below during any period when normal postal services prevail, on the fifth business day after the time of mailing of the same by prepaid post, except in the case of mail interruption in which case actual receipt is required;

- (c) if transmitted by fax to the addressee's fax number specified below, on the day of transmittal unless transmitted after the normal business hours of the addressee or on a day that is not a business day in the addressee's jurisdiction, in which case it will be deemed to be received on the next following business day; or
- (d) if transmitted by email to the addressee's email address(es) specified below, on the day the intended recipient provides acknowledgement to the sender that the email has been received;

The specified physical addresses, fax numbers and email addresses for the parties are as follows:

for the Province and the Minister, or either of them:

Ministry of Finance
PO Box 9414 Stn Prov Govt
620 Superior Street
Victoria, British Columbia
V8W 9V1

Attention: Executive Director, Banking and Cash Management Branch,
Provincial Treasury

Fax: (250) 953-4765

Email Address: Kevin.MacMillen@gov.bc.ca and cdp@gov.bc.ca

and for the Board:

Board of Education of School District No. _____

Address

_____, British Columbia
City

Postal Code

Attention: _____

Fax: _____

Email Address: _____

- 7.02 Either party may, from time to time, advise the other by notice in writing of any change of physical address, fax number or email address of the party giving such notice and from and after the giving of such notice the physical address, fax number or email address therein specified will, for purposes of the preceding section, be deemed to be the physical address, fax number or email address, as the case may be, specified for the party giving such notice.

VIII. ADDITIONAL TERMS

8.01 Statutes

A reference to a statute in this Agreement, whether or not that statute has been defined, means a statute of the Province of British Columbia unless otherwise stated and includes every amendment to it, every regulation made under it and any enactment passed in substitution therefor or in replacement thereof.

8.02 Headings

The headings or captions in this Agreement are inserted for convenience only and do not form a part of this Agreement and in no way define, limit, alter or enlarge the scope or meaning of any provision of this Agreement.

8.03 Entire Agreement

This Agreement constitutes the entire agreement between the parties with respect to the subject matter of this Agreement and no understandings or agreements, oral or otherwise, exist between the parties with respect to the subject matter of this Agreement except as expressly set out in this Agreement.

8.04 Further Acts and Assurances

Each of the parties will, upon the reasonable request of the other, make, do, execute or cause to be made, done or executed all further and other lawful acts, deeds, things, devices, documents, instruments and assurances whatever for the better or more perfect and absolute performance of the terms and conditions of this Agreement.

8.05 Severability

If any provision of this Agreement or the application thereof to any person or circumstance is invalid or unenforceable to any extent, the remainder of this Agreement and the application of such provision to any other person or circumstance will not be affected or impaired thereby and will be valid and enforceable to the extent permitted by law.

8.06 Waiver

No consent or waiver, express or implied, by either party to or of a breach or default by the other party in the observance, performance or compliance by the other party of any

of its obligations under this Agreement will be deemed or construed to be a consent to or waiver of any other breach or default.

8.07 Time of Essence

Time will be of the essence of this Agreement.

8.08 Acting for Province or Minister

All the rights and obligations of the Province or the Minister under this Agreement may be exercised or performed by the Minister, the Deputy Minister of Finance or by any other person designated by either of them to act on their behalf with respect to any provision or provisions of this Agreement.

8.09 Governing Law

This Agreement will be governed by and construed and interpreted in accordance with the laws of the Province of British Columbia and the federal laws of Canada applicable therein.

[REST OF PAGE INTENTIONALLY BLANK]

8.10 Interpretation

In this Agreement, “includes” and “including” are not intended to be limiting.

8.11 Counterpart Execution

This Agreement may be entered into by each party signing a separate copy of this Agreement (including a photocopy or facsimile copy) and delivering it to the other party by facsimile transmission or by email in scanned PDF format.

IN WITNESS WHEREOF the parties to this Agreement have executed this Agreement as set out below:

SIGNED on behalf of Her Majesty the Queen in right of the Province of British Columbia by a duly authorized representative of the Minister of Finance on the _____ day of _____, 20____:

Signature

Print Name

Print Title

Signed on behalf of the Board of Education of School District No. _____ by its duly authorized representative on the _____ day of _____ 20____:

Signature

Print Name

Print Title

OFFSET BANKING AGREEMENT – CENTRAL DEPOSIT PROGRAM

THIS AGREEMENT dated for reference the _____ day of _____ 20_____.

BETWEEN:

HER MAJESTY THE QUEEN IN RIGHT OF THE PROVINCE OF BRITISH COLUMBIA, represented by the Minister of Finance

(the "**Province**")

AND:

_____, a government body as defined within the meaning of the *Financial Administration Act*

(the "**Government Body**")

WHEREAS:

- A. Sections 76(1)(a)(ii) and 77(1)(a) and (c) of the *FAA* authorize the Province and the Government Body to enter into offset banking agreements for the efficient management of the Government Body's money.
- B. The Province and the Government Body wish to enter into an offset banking agreement for the efficient management of the Government Body's money on the terms and conditions set out in this Agreement.

NOW THEREFORE the parties agree as follows:

I. DEFINITIONS

1.01 In this Agreement, unless the context otherwise requires:

- (a) "**Agreement**" means this Agreement as it may be amended, extended or renewed from time to time by the parties in writing, including the above recitals;
- (b) "**Business Day**" means a day, other than a Saturday or Sunday, on which Provincial government offices are open for normal business in British Columbia;
- (c) "**Government Body Funds**" means the money of the Government Body held by the Province as part of the Central Deposit Program and as a result of this Agreement, and includes any accumulated interest earned on such money;

- (d) **"Certificate of Approval System"** means the electronic funds disbursement system maintained and administered by the Banking and Cash Management Branch, Provincial Treasury, Ministry of Finance;
- (e) **"Central Deposit Program"** means the program within the Certificate of Approval System which has been created to ensure the efficient management of public money by receiving excess cash balances from government bodies to offset government cash requirements, while providing government bodies interest compensation and account administration;
- (f) **"Deposit Account"** means the Province's account number **bank 0010 transit 00090** ^{s.17} at the CIBC located at 1175 Douglas Street, Victoria, British Columbia;
- (g) **"Effective Date"** means _____;
- (h) **"FAA"** means the *Financial Administration Act*, R.S.B.C. 1996, c. 138;
- (i) **"Minister"** means the Minister of Finance;
- (j) **"Term"** means the term of this Agreement described in section 4.01;
- (k) **"Transaction Record"** means the record of
 - (i) deposits of money made by the Government Body into the Deposit Account;
 - (ii) withdrawals by the Government Body of Government Body Funds from the Withdrawal Account; and
 - (iii) interest earned on Government Body Funds,
 as entered into the Central Deposit Program;
- (l) **"Withdrawal Account"** means the Province's account number **bank 0809 transit 75180** ^{s.17} at the Central 1 Credit Union located at 1441 Creekside Drive, Vancouver, British Columbia;
- (m) **"Withdrawal Procedures"** means the procedures established by the Banking and Cash Management Branch, Provincial Treasury, Ministry of Finance for use of the Central Deposit Program; and
- (n) **"Withdrawal Request"** means an electronic withdrawal of Government Body Funds request, made in accordance with the Withdrawal Procedures.

II. THE ACCOUNTS

- 2.01 The Government Body may cause money to be deposited into the Deposit Account from time to time during the Term.
- 2.02 Upon the Government Body's first deposit of money, as contemplated under section 2.01, the Province will create an electronic Transaction Record under the Government Body's name in the Central Deposit Program.
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III. INTEREST ON THE GOVERNMENT BODY FUNDS

- 3.01 Interest on the Government Body Funds will be calculated on the daily closing balance of Government Body Funds, determined by reference to the Transaction Record.
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balance of the Government Body Funds in accordance with the Withdrawal Procedures.

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PO Box 9414 Stn Prov Govt
620 Superior Street
Victoria, British Columbia
V8W 9V1

Attention: Executive Director, Banking and Cash Management Branch,
Provincial Treasury

Fax: (250) 953-4765

Email Address: Kevin.MacMillen@gov.bc.ca and CDP@gov.bc.ca

and for the Government Body:

Address _____

_____, British Columbia
City

Postal Code _____

Attention: _____

Fax: _____

Email Address: _____

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8.08 Acting for Province or Minister

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IN WITNESS WHEREOF the parties to this Agreement have executed this Agreement as set out below:

SIGNED on behalf of Her Majesty the Queen in right of the Province of British Columbia by a duly authorized representative of the Minister of Finance on the _____ day of _____, 20____:

Signature

Print Name

Print Title

Signed on behalf of the Government Body by its duly authorized representative on the _____ day of _____ 20____:

Signature

Print Name

Print Title