



The Corporation of the District of North Vancouver

CORPORATE POLICY MANUAL

Section:	Finance	5
Sub-Section:	Accounting - Cash - Cash Deposits	1620
Title:	SECURITY DEPOSITS - INTEREST ON DEPOSITS	1

POLICY

In the case where deposits are made by private individuals or corporations for construction works to be carried out by the District, interest will be paid on cash deposits exceeding \$5,000 that are held for more than 60 days, as follows:

1. Interest will be paid at the current bank savings account rate from the date of deposit to the commencement date of the first bi-weekly accounting period during which a charge is incurred.
2. Interest will be calculated at one-half of the established rate from the time of the first charge to the end of the bi-weekly accounting period immediately preceding the final settlement.
3. In cases where the deposit exceeds the final cost, full interest will be paid on the excess deposit.
4. Interest will be calculated and credited to the individual accounts at the end of the calendar year, or upon project completion, whichever occurs first. The offset of the interest credit will form part of the annual operating costs (debt charges) of the District.
5. Interest will be paid at final settlement.

For purposes of clarification, a deposit is a single payment for a specific project. Subsequent adjustments to the deposit do not affect the entitlement to interest.

REASON FOR POLICY

To provide compensation for customers for cash held by the municipality in advance of the funds being used.

AUTHORITY TO ACT

Delegated to Staff

Approval Date:	January 25, 1982	Approved by:	Policy & Planning Committee
1. Amendment Date:	December 11, 1995	Approved by:	Regular Council
2. Amendment Date:		Approved by:	
3. Amendment Date:		Approved by:	