

<b>Manual: Finance Policies</b>	<b>Date of Issue: November 2011</b>
<b>Subject: Short Term Investments Policy</b>	<b>Revision Date: December 8, 2011</b>

## **Investment Policy**

### **United Way of Prince Edward Island**

To establish the short-term investment approach for United Way of Prince Edward Island.

#### **POLICY**

In order to preserve the capital value of funds and to achieve the maximum return, ensure the purchasing power of the funds is maintained, and to provide appropriate flow of cash to meet United Way's requirements, the following procedures have been established:

#### **PROCEDURE**

To recognize the support of all financial institutions and ensure that the United Way operating funds are receiving the best rate of return and service, a representative sampling of local financial institutions will be considered for investment purposes.

Investment with any single financial institution shall not exceed 35% of all total cash/deposits, except with the prior approval of the Board of Directors. The following financial institutions are currently approved:

- Federally Chartered Banks
- Provincially or Federally Chartered Credit Unions

Investments will be restricted to Canadian securities with minimal risk and having a maturity of less than 180 days, normally of the following investment types:

- GIC's
- Certificates of Deposit
- Government Bonds
- Treasury Bills
- Bonds of Canadian Corporations rated AA\*
- Canadian Money Market Funds
- Bankers Acceptance

\* Bonds must have minimum AA rating from recognized bond rating companies as recommended by investment broker.

The finance committee must approve any transaction over \$25,000. Transaction slips must be submitted by the Investment Advisor to UW Finance Manager.