

Ringette Association of Saskatchewan (RAS)

Investment Policy

Purpose

1. The purpose of this *Investment Policy* is to guide the RAS in the accumulation of net assets and in the investment of those assets.

Net Unrestricted Financial Assets

2. Net unrestricted assets are assets that are neither permanently nor temporarily restricted by donor-imposed or government-imposed stipulations.
3. The RAS believes that unrestricted net assets will provide a source of funds that can be used in any way the RAS wishes, rather than in a way dictated by funders. The income provided from these net assets will provide working capital and give the RAS financial flexibility.
4. The RAS strives to have net unrestricted financial assets equal to six (6) months operating expenditures plus \$20,000 in working capital. (we don't currently) We currently have a \$40000.00 term deposit
5. Net unrestricted financial assets will allow the RAS to:
 - a) Continue to provide services in case of cuts to government funding
 - b) Support itself in the event of unexpected losses or unforeseen expense increases
 - c) Invest in improving its financial circumstances
 - d) Limit sharp increases in membership fees
 - e) Begin new programs that do not provide an immediate financial return
 - f) Take measured financial risks that would otherwise not be possible
 - g) Have a stream of 'no strings attached' revenue

Investments

6. The RAS shall invest its net unrestricted financial assets in a manner that benefits the RAS in the long term.
7. The RAS aims for its investments to provide ready access to funds as needed, generate strong earnings, and preserve capital.
8. Of the six (6) months operating expenditures plus \$20,000 in working capital, the RAS shall invest in short-term fixed income products. At least 30% of this sum shall be invested in instruments that are immediately cashable – such as a money market account. The remainder shall be invested in GICs or government bonds which shall have laddered terms of maturity of no greater than five years.
9. To try to generate improved returns, the RAS may invest any additional net unrestricted financial reserves (that the Board has not earmarked for return to members via planned budget deficits) in Canadian equity mutual fund products provided by the bank that provides the RAS's operating account. To help to mitigate volatility, at least 50% of such investments should be placed in a dividend fund.
10. In the event that the RAS has purchased the mutual fund products referred to above, and its net financial assets subsequently drop below six (6) months of operating expenditures plus \$20,000 available for fixed income products, the RAS may continue to hold these mutual funds provided that the net financial assets available for fixed income products does not drop below three (3) months operating expenditures plus \$20,000.