

## Investment Policy

**Policy #:** 006  
**Created:** March 2017  
**Amended:** N/A

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### 1.0 Purpose and Scope:

Excess cash may occur as a result of the timing of annual license renewals and occasional surplus funds from operations. Excess cash may be invested from time to time to earn interest that will subsidize the annual operations of the Bereavement Authority of Ontario (BAO).

It is the responsibility of the CEO to manage the cash of the organization to ensure that the day-to-day cash needs are readily available.

All investments must be held in the name of the BAO, by a registered broker or Canadian financial institution.

### 2.0 Signing Officers

Any two of the designated signing officers are authorized to provide instructions related to the management of investments.

### 3.0 Trading Officers

The Board of Directors (Board) will delegate the authority to provide trading instructions by executing a resolution designating the CEO and Controller as trading officers. Any one of the designated trading officers is authorized to provide trading instructions, upon written approval by a signing officer.

### 4.0 Investments Principles

The organization is expected to follow the most conservative investing principles. It is not permitted to invest in equities, mutual funds or long-term bonds. Appropriate investments must be categorized as “low risk” and would normally consist of GICs, short-term federal or provincial government-issued debt, or liquid (cashable) investments such as high-interest savings accounts or money-market funds.

Individual investments should not exceed a 36-month term.

The BAO shall maintain a minimum cash balance of \$300,000 in the current account to support day-to-day operations of the organization. Total investments held should have no less than \$400,000 maturing or cashable in June of each year to support the organization’s net cash outflow anticipated during the period

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of July to November of each year.



**Allowable Exception:** Exception shall be extended to the Business Chequing account held with TD Canada Trust with a balance not to exceed \$500,000 from time to time, in order to meet operational requirements (typically three to six months).

These governing principles may be amended by the BAO Board from time to time. The CEO or Controller will liaise with the broker or commercial account manager on a quarterly basis and report to the Board regarding compliance with this policy.

## **5.0 Sufficient Reserves Principles**

The BAO is expected to maintain a sufficient level of investments as reserve to ensure business continuity and the funding of future initiatives in pursuit of its strategic objectives.

For the purpose of this policy, reserves will be the total amount of cash and term investments minus the total of its restricted purpose funds as presented on the organization's balance sheet.

It is acknowledged that any unforeseen and catastrophic circumstances in respect of the BAO's ability to collect license renewal fees would cause the highest level of business disruption. As such, the minimum level of reserves that the organization should maintain at any given time should be the most recent budgeted expenditures as presented on the BAO's financial statements.

## **6.0 Broker or Banking Notification**

A copy of this policy shall be provided to the BAO's investment broker or commercial bank manager.

## **7.0 Policy Review**

This policy will be reviewed annually, at a minimum, to ensure it remains relevant to BAO's activities and reflects both the organization's expectations and legal requirements.

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