GEOSCIENTISTS NOVA SCOTIA

Association of Professional Geoscientists of Nova Scotia
info@geoscientistsns.ca

PO Box 91
Enfield, NS, B2T 1C6
Office: 902.420.9928

Investment Policy Statement
the Association of Professional Geoscientists of Nova Scotia

Introduction

This policy and procedure document is intended as an addendum to the current by-laws of the Association and reflects the currently accepted procedures as well as the by-laws under development for the revised ***Geoscience Profession Act*** and ***Geoscience Practice Regulations***. Where accuracy is critical, please consult the current ***Geoscience Profession Act*** and the by-laws of the Association.

In order to maintain a consistent investment program, the Finance Committee (the Executive Committee including the Treasurer and the Executive Director), will adhere to the following investment policy.

Maintenance of an Investment Portfolio

The Association will maintain a portfolio to ensure the Association can meet annual operating costs and extraordinary financial demands of the Association. The total value of the portfolio will reflect the planned annual operating costs / budget and extraordinary financial demands of the Association.

The value of the portfolio required to meet the planned annual operating needs will be determined on an annual basis, and during the year may increase to reflect surplus cash balances over immediate operating cash requirements. To assist in the management of this portion of the portfolio, cash forecasts should be carried out on an annual basis to coincide with the budgeting process and updated during the year and at the year end with actual revenues from the Association fees and service charges.

The portion of the portfolio required to meet extraordinary financial demands, represents readily accessible funds to the Association. It is not intended that there would be any short-term borrowings against the equity owned by the Association.

The Investment Policy recognizes two (2) components.

- The **Contingency Reserve** (currently held in the day-to-day operating and the buffer savings accounts)

The value of this portion of the portfolio, designated as the Contingency Reserve, is based on a situation where the Association is forced to terminate operations, and must not be less than an amount equal to 75%, or greater than an amount equal to 100% of the annual operating expenses (based on the previous fiscal year-end and current year budget).

In the event that the value of this portion of the portfolio exceeds the maximum amount, the Finance Committee will notify Council and recommend action, if required. If the funds should be depleted to less than the specified minimum, the Finance Committee will recommend to Council an approach to replenish the investment portfolio over a short-term period for Council approval.

- The **Unrestricted Reserve**

The value of this portion of the portfolio, designated as the Unrestricted Reserve, is based on the previous fiscal year net income and the current year budget.

The Association has established conservative investment objectives requiring a high degree of certainty in the return of principal and interest at maturity.

Investment Policy Statement (continued)

The Unrestricted Reserve may be held and will be invested in interest or dividend bearing plan(s) identified by the Finance Committee and approved by Council. Alternative investment options may also be presented by the Finance Committee for approval where the following conditions are met.

- zero risk to the principal investment;
- higher potential returns than traditional term GIC deposits; and
- reduced or no fees or commissions.

Control of Investment Decisions

The Finance Committee shall determine the value and term to maturity for all investments with due consideration of the operating requirements and the ongoing expenses of the Association and present recommendations to Council for approval.

The Finance Committee shall monitor all investments and report to Council following each meeting of the Committee.

Review

The Finance Committee shall undertake a review of the Investment Policy as necessary to monitor performance of any investments and/or the availability of suitable investments and/or the risk tolerance of the Council. The Finance Committee will conduct a review and update as necessary of the Investment Policy at least every three years.