# FINANCIAL POLICIES AND PROCEDURES

## SECTION 3: CAPITAL EXPENDITURE, INVESTMENTS & RESERVES

## POLICY 4: INVESTMENTS

### Policy Rationale

[organisation] shall endeavour to hold investments which generate consistent returns while carrying prudent levels of risk.

[organisation] should therefore ensure it has appropriate frameworks to monitor and manage investments, to ensure returns are maximised whilst avoiding any threat to [organisation]‘s financial security and operational sustainability.

### Policy Statement(s)

[organisation] shall only invest funds in organisations where:

1. Those organisations being invested in have been approved by [organisation]’s Board, following recommendations from the Audit, Finance & Risk Committee and meet [organisation]’s ethical and sustainable strategies
2. The terms of the investment meet the investment criteria approved by [organisation]’s Board, following recommendations from the Audit, Finance & Risk Committee
3. Investment of those funds does not pose any risk to [organisation]’s liquidity or ability to meet its day-to-day financial commitments during the investment period.
4. Investment of those funds aligns with [organisation]’s long term and strategic goals

When investing funds, [organisation] will also ensure:

1. Investment confirmations and advices are received
2. Interest receipts and any principal amounts withdrawn are paid into [organisation]’s bank accounts only
3. Investments are tax efficient for the organisation (if applicable)
4. [organisation]’s tax details and designated tax rate (if applicable) are specified to enable the correct amounts of withholding tax to be deducted from interest received
5. Investments do not compromise or appear to compromise the independence of the organisation. I.e. placing investments with sponsors or if the organisation did, ensure sufficient safeguards are established to ensure that the most competitive and secure investments are obtained

### Policy Implementation and Related Procedure Documents

The implementation and review of these Investments policies are the responsibility of [organisation]’s Audit, Finance & Risk Committee.

[organisation]’s Board, following recommendations from the Audit, Finance & Risk Committee, will be responsible for determining the maximum level of risk acceptable for investments. They are also responsible for developing and reviewing the criteria for [organisation]’s investments for management.

[organisation]’s CFO / Finance Manager will implement procedures for the recording of investment transactions and the reconciliation of investments held. They will also be responsible for the related tax implications / matters of investments.

The following [organisation] policies and frameworks should be referred to in this regard:

* + Finance Manual
  + CFO Financial Management Policy
  + Delegated Authorities Policy
  + Budgeting & Forecasting Policy
  + Accountability, Internal Controls & Audit Policy
  + Financial Systems & Procedures Policy
  + Revenue & Receipting Policy
  + Foreign Exchange Policy
  + Reserves & Restricted Funds Policy
  + Tax & Charitable Status Policy
  + Tax (Non-Charitable Entity) Policy
  + Risk Management Policy
  + Fraud Policy

### Legislative Compliance Considerations

* + Income Tax Act 2007
  + Tax Administration Act 1994
  + Incorporated Society Rules [if an incorporated society registered under the 1908 Act]
  + Incorporated Society Constitution [if an Incorporated Society registered under the 2022 Act]
  + Trust Deed [if a Trust]
  + Constitution [if a Company]

### Review Protocol

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| --- | --- |
| Policy Reviewed By: | Audit, Finance & Risk Committee |
| Date Reviewed: | [Date] |
| Next Review Date: | [Date] |
| Revokes Policy Reviewed: | [Date] |

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