

Client Services Policy Manual

Policy Number: **IF-02**
Subject: **Short Term Investments**
Chapter: **Injury Fund and Reserves**

Definition

Short-term investment portfolio:

The collection of securities held by WorkplaceNL, including Treasury Bills, Commercial Paper, Bankers' Acceptances, Term Deposits, Guaranteed Investment Certificates and other short-term debt instruments, with less than one year to maturity.

Policy Statement

The Finance Department is responsible for the management of WorkplaceNL's short-term investment portfolio. The overall investment objective for the short-term portfolio is to obtain a reasonable rate of return while maintaining a high degree of liquidity and matching as closely as possible the maturity of the assets to anticipated disbursements. The Finance Department may avail of WorkplaceNL's established line of credit. The line of credit may be used when disbursements exceed available cash or when it is economically advantageous to use the bank line to fund operating requirements in order to transfer excess funds to the Injury Fund earlier in the year. In utilizing the line of credit, WorkplaceNL may issue Bankers' Acceptances. Funds in excess of the current year operating needs will be identified on a quarterly basis and transferred to the external fund managers.

Product

It is the policy of WorkplaceNL to invest only in the following low-risk products:

- Government of Canada Treasury Bills
- Bankers' Acceptance
- Chartered Bank backed Commercial Paper (R1)
- Term Deposits
- Short-Term Debt of the Provinces
- Debt of the Government of Canada that is less than one year
- Money market pooled funds that meet the rating criteria and limits as outlined in the following sections

Rating

Debt of non-Canadian issuers and foreign-pay debt of Canadian issuers are not permitted.

Commercial short-term debt and paper must be rated R1 (either low, middle or high) by the Dominion Bond Rating Service. Provincial short-term debt or paper and debt of agencies guaranteed by the Provinces may be rated lower than R1.

Client Services Policy Manual

Policy Number: **IF-02**
Subject: **Short Term Investments**
Chapter: **Injury Fund and Reserves**

Deposits/Investments can be made with any registered member of the Investment Dealer's Association, Schedule A or Schedule B banks and Direct Issuers.

Limits

Corporate Issues: The portfolio investments held with any one corporate issuer will be limited to 10%, at any given time, of WorkplaceNL's estimated annual Cash Receipts.

Provincial Issues: The portfolio investments in any one Provincial issue rated lower than R1 will be limited to 10%, at any given point in time, of WorkplaceNL's estimated annual Cash Receipts. There is no limit for Provincial Issues rated as R1.

Treasury Bills	-	No limit
Government of Canada	-	No limit

Term

Investments are to be for a term not to exceed one year.

Custody

All investment assets will remain in the custody of the Investment Dealer, Financial Institution, or Direct Issuer.

Approval

Short-term investments placed by the Accounting Assistant or Accounting Clerk must be approved by the Manager of Accounting or Director, Finance Department or Chief Financial Officer and Information Officer. Investments placed by the Manager of Accounting must be approved by the Director, Finance Department or Chief Financial and Information Officer and investments placed by the Director must be approved by the Chief Financial and Information Officer.

Reference: *Workplace Health, Safety and Compensation Act, Section 10*

Amendment History

Original Effective Date	1990 08 30
Revision #7	2004 09 16
Revision #8	2007 05 14
Revision #9	2008 04 22