

Policy Number: **IF-02**
Subject: **Short-term Investments and Borrowing**
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

WorkplaceNL utilizes short-term investments and short-term borrowing to manage weekly cashflow requirements and optimize transfers to and from the Injury Fund. The overall investment objective for WorkplaceNL's short-term investment 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. A line of credit may be used to a maximum of \$20 million when disbursements exceed available cash. 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needs will be identified on a quarterly basis and transferred to the external fund managers, and funds will be withdrawn from the Injury Fund when annual revenues are insufficient to meet operating needs.

Product

WorkplaceNL invests 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

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| Rating | <p>Debt of non-Canadian issuers and foreign-pay debt of Canadian issuers are not permitted.</p> <p>Commercial short-term debt and paper must be rated R1 (either low, middle or high) by the Dominion Bond Rating Service Morningstar. Provincial short-term debt or paper and debt of agencies guaranteed by the provinces may be rated lower than R1.</p> <p>Deposits or investments can be made with any registered member of the Investment Dealer's Association, Schedule A or Schedule B banks and Direct Issuers.</p> | | | | | | |
| Limits | <p>Corporate Issues: Portfolio investments held with any one corporate issuer will be limited to 10 per cent, at any given time, of WorkplaceNL's estimated annual cash receipts.</p> <p>Provincial Issues: Portfolio investments in any one provincial issue rated lower than R1 will be limited to 10 per cent, at any given point in time, of WorkplaceNL's estimated annual cash receipts. There is no limit for provincial issues rated as R1.</p> <table><tr><td>Treasury Bills</td><td>-</td><td>No limit</td></tr><tr><td>Government of Canada</td><td>-</td><td>No limit</td></tr></table> | Treasury Bills | - | No limit | Government of Canada | - | No limit |
| Treasury Bills | - | No limit | | | | | |
| Government of Canada | - | No limit | | | | | |
| Term | <p>Investments are to be for a term not to exceed one year.</p> | | | | | | |
| Custody | <p>All investment assets will remain in the custody of the Investment Dealer, Financial Institution, or Direct Issuer.</p> | | | | | | |

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Approval

Short-term investments placed by the Senior Financial and Accounting Analyst; Accounting Analyst; or Accounting Assistant must be approved by the Manager of Accounting or the Director of Finance or the Chief Financial and Information Officer.

Reference: Workplace Health, Safety and Compensation Act, 2022, Section 12

Amendment History

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| Original Effective Date | 1990 08 30 |
| Revision #8 | 2007 05 14 |
| Revision #9 | 2008 04 22 |
| Revision #10 | 2021 09 27 |