

**City of Winnipeg  
Community Centre  
INVESTMENT GUIDELINES**

**I. INTRODUCTION**

**A. Purpose**

The purpose of this Investment Guideline is to provide the City of Winnipeg Community Centres with a framework for managing its investment program. This guideline provides direction and an accountability structure for City of Winnipeg Community Centres in the execution and management of investment transactions.

**B. Scope**

Community Centre Boards are responsible for the investment of monies within its bank accounts where appropriate. Short-term monies are essentially surplus funds that arise due to timing differences between the receipt of revenue and disbursement of expenditures. In addition, Community Centre Boards have a number of special funds established that have both a short and long-term nature to them. The special long-term funds are comprised of specific Community Centre Funds with either fixed or continuous future obligations.

This policy includes:

1. A definition of types of investments;
2. Legal Authorization and delegated authority for investment of funds;
3. Reporting requirements for the investment portfolios.

**C. Objective**

The objective of the Guideline is to ensure the safety of principal and liquidity of the Community Centre investment portfolio.

The objective of the investment portfolio is to prudently manage Community Centres surplus cash position and special fund monies within the context of the following:

- Safety of principal;
- Risk/return nature of the investments;
- Liquidity of the investment; and

***Safety of principal is the overriding consideration in investment decisions.***

**D. Review of Investment Guideline**

This Guideline will be reviewed annually by the City of Winnipeg Community Centre Boards in consideration of meeting Community Centre financial goals and achieving safety of capital.

## **II. DEFINITION OF INVESTMENTS**

The short-term investment portfolio consists of cash or liquid securities with a maturity date of two years or less.

The long-term investment portfolio consists of securities with a maturity date that exceeds two years.

There are four types of investments managed by City of Winnipeg Community Centre Boards:

## **III. AUTHORIZATION AND INTERNAL CONTROLS**

### **A. GCWCC and Community Centre Constitutional Requirements**

All funds and securities of the organization shall be deposited in the name of the organization with a recognized financial institute which shall be selected by the Board (See III F). All financial documents and contractual agreements shall carry a minimum of two (2) signatures as approved by resolution of the appropriate Board.

### **B. Responsibility for Investment Management**

The City of Winnipeg Community Centre Board is responsible for the management of all investments. The Board is to ensure that surplus monies are invested in appropriate guaranteed investment portfolios (see III F) and that appropriate records and accounts of such are maintained.

### **C. Ethics and Professional Conduct**

As is the case for all City of Winnipeg Community Centre employees/volunteers, individuals delegated the responsibility for investment policies and strategies and debt and money management are required to abide by the City of Winnipeg Community Centre Employee/Volunteer Code of Conduct.

### **D. Signing Authority and Investment Documentation**

Investment transactions (purchases and sales) will be evidenced with appropriate documentation which states the terms and associated conditions of the executed transaction.

Two authorized signatures as established in "Section A, are required for all investment transactions.

### **E. Safekeeping of Securities**

The City of Winnipeg Community Centre Board members assigned the responsibility for investment management are responsible for the safekeeping of securities, and also ensure that a reputable custodian, such as a chartered Canadian bank or Credit Union is charged with the safekeeping of such physical securities.

## **F. Authorized Financial Institutions and Dealers**

All financial instruments, whether short or long term in nature must be guaranteed. In order to qualify for investment transactions the firm must be a member in good standing of the Investment Dealers Association of Canada. The City of Winnipeg shall provide City of Winnipeg Community Centre Boards with a list of all financial institutions and investment dealers authorized to provide investment services.

## **IV. TYPES OF INVESTMENTS MANAGED**

There are four types of investments managed by City of Winnipeg Community Centre Boards:

### **A. Liquidity Investments**

This short-term investment is essentially surplus cash on hand. The investment(s) are used to meet general operating requirements and provide a means to meet unanticipated cash flows. Cash is typically invested in an overnight security to provide liquidity on a daily basis. This ensures that the City of Winnipeg Community Centre Board does not have to access its bank line of credit for planned operational cash flows. A bank line of credit is a comparatively expensive form of financing and should not be employed unless unanticipated cash requirements arise. It is imperative that the prominent investment criteria be liquidity for operational requirements.

### **B. Asset/Liability Management Investments**

The purpose of this investment class is to match and hedge the City of Winnipeg Community Centre Board portfolio of assets and liabilities for interest rate management purposes. Surplus funds are essentially invested in guaranteed financial instruments to future dates where cash is required while managing the associated interest rate risk.

### **C. Pre-funding Investments**

Pre-funding occurs when decisions are made to borrow funds before the cash is required, or in an amount larger than required in order to exploit windows of borrowing opportunity. The excess cash is subsequently invested in guaranteed financial instruments maturing or readily available for sale on a cash requirement date. While liquidity is a consideration, the risk/return relationship of these investments should be maximized to offset the carrying cost of the associated borrowing.

### **D. Long-Term Investments**

The City of Winnipeg Community Centre Board has certain special funds or portions thereof of a longer-term nature. Examples of these types of special funds are primarily related to future capital projects. Generally speaking, these investments have maturity dates that exceed two years.

## V. REPORTING FRAMEWORK

The City of Winnipeg Community Centre Board is to be provided with written quarterly updates pertaining to the status of both short-term and long-term investment portfolios by the Treasurer/Bookkeeper who is responsible for the financial recording and reporting to the Board.

All investment and debt activities are subject to the review and scrutiny of the City of Winnipeg's independent external or internal auditors.