

INVESTMENT PLANNING POLICY

| | | | |
|---------------------------|-------------------------------|--|--------------|
| <u>Policy number</u> | 4100 | <u>Version</u> | 1 |
| <u>Drafted by</u> | Secretary | <u>Approved by Branch Executive on</u> | 21 June 2019 |
| <u>Responsible person</u> | Secretary | <u>Scheduled review date</u> | June 2021 |
| <u>Affects</u> | Employees, EOs & Elected Reps | <u>Subject Area/Chapter</u> | Finance |

INTRODUCTION

The Branch Executive is responsible for ensuring that the Union operates within a responsible, sustainable financial framework and that the organisation has adequate resources to carry out its work. The Union's Investment Plan forms an important part of fulfilling this responsibility.

PURPOSE

This policy is designed to:

- Direct the use of Union investment funds; and
- Determine the Union's future financial planning strategies to ensure the organisation can maintain its operating budget and create growth.

POLICY

The Executive is responsible for maintaining and extending the assets of the Union, to provide for its long-term financial viability. In its stewardship of financial assets, the Executive has adopted this policy to ensure that any assets not required for the current operating budget will be invested in accordance with the Union's Investment Plan.

The purpose of the Investment Plan is to manage the cash assets not required for current operating expenses to maximise the earnings of such assets, while retaining security and minimising risks.

All interest and other earnings from such investments are deposited into the Union's operating account and thus become part of the annual operating budget.

The Investment Plan should be designed to ensure that the Union:

- will have funds that are utilised to achieve a balanced operating budget;
- creates capital growth and generates income;
- will have access to cash to cover current liabilities;
- will have access to cash for establishing new projects;
- will have access to cash for unforeseen expenses.

The Union's Investment Plan must conform to the following principles:

- Priorities set in the Strategic Plan are to be adhered to;
- Investments are to be made with low to medium risk ventures; that is, investments that provide for security of capital over the medium to long term;

- The Union will only invest with reputable, established, proven, financial institutions;
- 100% of any share portfolio will be invested with ethical investments.

Authorisation

Secretary
AEU NT Branch