1. Preamble

As a Non-Profit Corporation located at the University of Saskatchewan it is incumbent upon the Students’ Union to ensure financial solvency in order to also ensure political, governance, and business independence. The Master Operating Agreement with the University allows for the USSU to request financial assistance from the university should it become essential, but it is our goal to remain fully and wholly independent. Thus, it is critical that we develop and maintain adequate and appropriate investments derived from any accrued financial surpluses.

2. Investment Objectives

The following objectives will underlie all USSU investment decisions:

● To maintain sufficient reserves to allow smooth operation in times of decreased revenue
● To fund capital expenditures, including equipment replacement and renewal
● To fund future renovations to the Student Centre
● To have accessible six months operating reserve
● To use cash flow analysis to balance between short and long-term investment vehicles
● To provide income through investment revenue and annual operating surpluses
● To provide long term capital and income growth and inflation protection

3. Policy Statement

The preferred investment portfolio of the USSU will be a combination of modest growth capital and income via high quality investments, diversified with mutual funds, stocks, bonds and/or cash.

4. Asset Mix Guidelines

The portfolio will be invested in money market securities, longer fixed income securities and equities and mutual fund securities in accordance with the stated investment objectives.

5. Quality Guidelines

5.1 All debt securities will be government guaranteed or those of a big five chartered bank only.
5.2 No equity investment in any one company will exceed 10% of the total portfolio value.
5.3 The cumulative investment in one industry will not exceed 10% of the portfolio.
5.4 No equity investment will be made in companies with a market capitalization of under $100 million.
5.5 Any investment falling outside the above criteria will not exceed 3% of the portfolio.

6. Reporting and Review

6.1 Regularly – day to day contact as required
6.2 Monthly – trade confirmations and a monthly statement itemizing all transactions
6.3 Annually – a comprehensive portfolio review as part of the audited financial statements

7. Operating Guidelines

7.1 The USSU will engage the services of an expert investment dealer from a reputable local firm.
7.2 The Controller, Vice-President Operations and Finance, and General Manager will consult regularly on the investments.
7.3 The investment funds must be registered in the name of the USSU
7.4 Based on a cash flow analysis, the Controller will make on-going recommendations for the balance of investments among short-term, mid-term and long-term vehicles.