

Investment Policy

F-04

LONG TITLE Investment & Endowment Management Policy	DATE OF ENACTMENT 30 June 2021
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CATEGORY Fees & Finances	COMPETENT CHAMBER Board

Carleton University Students’ Association Inc. (“CUSA”) investment fund was created to provide perpetual financial support to CUSA. The purpose of this Investment Policy Statement is to establish guidelines for the investment portfolio.

Responsibilities of the CUSA Board

The CUSA Board shall ensure that its fiduciary responsibilities concerning the proper management of CUSA’s investment funds are fulfilled through appropriate investment structure, internal and external management, and portfolio performance consistent with all policies and procedures. The CUSA Board shall approve investment policies and objectives that reflect the long-term investment-risk orientation of the endowment.

Responsibilities of Management

Management is responsible for the development, recommendation, implementation and maintenance of all policies relative to CUSA’s investment funds. Management also shall be the primary liaison between any investment consultants and/or other outside professionals that may be retained to assist in the management of such funds.

Investment Guidelines

CUSA may at its discretion, invest funds in the following areas:

- a. **Money Market Funds:**
A quality money market fund will be utilized for the liquidity needs of the portfolio whose objective is to seek as high a current income as is consistent with liquidity and stability of principal.
- b. **Equity Funds:**
The equity component of the portfolio will consist of high-quality equity securities traded on Canadian, American and International Stock Exchanges and may also include mutual funds or pooled investment vehicles.
- c. **Fixed Income Funds:**

The fixed income portfolio will consist solely of bonds, securities, debentures and guaranteed investment certificates of any issuer including banks, mortgage companies, insurance companies and trust companies.

Management will monitor the investment performance against CUSA's investment objectives every six months. The performance of professional investment manager hired will be assessed annually. Investment reports shall be provided by the investment manager on a monthly basis. Investment manager is expected to be available to meet with CUSA's Board and management once per year to review portfolio structure, strategy, and investment performance.

Fossil Fuel Divestment Policy

The CUSA Board and CUSA Management should:

- commit to no new, direct investments in companies that extract fossil fuels;
- divest from current, direct investments in fossil fuels extractors;
- commit to no new investments in dedicated fossil-fuel-focused products, in any asset class

Expenditure Considerations

The CUSA Board and management are both responsible for the establishment of a balances reserve fund spending policy to: (a) ensure that over the medium-to-long term, sufficient investment return shall be retained to preserve and grow its economic value as a first priority; and, (b) to provide funds for the annual operating budget in an amount which is not subject to large fluctuations from year-to-year to the extent possible.

Management Guidelines

CUSA may have up to three funds per purpose of investment, one each of a Money Market Fund, an Equity Fund, and a Fixed Income Fund. Monies may be transferred from one fund to another, provided a principal amount satisfying all obligations remains in a Fixed Income Fund, where applicable.

Purposes of Investment

A. General CUSA Investment Account

This account exists at the will of the CUSA Board of Directors. This Account shall accumulate from the collection of CUSA student levies, when such monies are not

immediately needed for liquidity purposes, and shall be invested in any fashion (i.e. Money Market Fund, Equity Fund, or Fixed Income Fund). Levies contributing to the accumulation of this account shall be:

- a. "CUSA"
- b. "Clubs & Societies"
- c. "Foot Patrol"
- d. "University Centre Fee"
- e. "CUSA Bursary Fund"
- f. "Unified Support Centre"

Monies shall only leave this account as approved by designates of the Board, for operational purposes. Designates of the Board are usually signing authorities of the Corporation. Designates of the Board shall decide which type of fund should be used for what amount of the account. Income gained beyond the principal shall be transferred to any of the three "General CUSA Investment Account" funds.

B. Restricted Accessibility Fund Account

This account exists because of the Master Fees & Services Agreement between CUSA and the University. This account shall accumulate from the collection of a student levy, called "Accessibility Fund", and shall be invested in a Fixed Income Fund. Monies shall only leave this account as approved by and when the relevant CUSA Committee responsible for dispersing the "Accessibility Fund" levy provides documentation of allocation decisions. CUSA may provide the monies over the course of a fiscal year from its bank account in order to facilitate a single transfer from the account to CUSA per year for the ease of the Investment manager. Income gained beyond the principal shall be transferred to any of the three "General CUSA Investment Account" funds.

C. Restricted Employee Fund Account

This account exists because of the Collective Agreement between CUPE 3011 and CUSA. This account shall be invested in any fashion (i.e. Money Market Fund, Equity Fund, or Fixed Income Fund). Monies shall only leave this account when documentation of a termination, retirement, or other employee entitlement is provided. CUSA may provide the monies over the course of a fiscal year from its bank account in order to facilitate a single transfer from the account to CUSA per year for the ease of the Investment manager. Income gained beyond the principal shall remain in any of the Money Market Fund, Equity Fund, or Fixed Income Fund for the Restricted Employee Fund Account.

D. Restricted Healthcare Fund Account

This account exists because of the Master Fees & Services Agreement between CUSA and the University. This fund shall accumulate in a number of fashions related to the Health & Dental Plan for Carleton University undergraduate students. The account historically accumulated as a result of a health plan based lawsuit victory and an "Overage" in funds charged to students for insurance plans, which no longer occurs.

This account shall be invested in a Fixed Income Fund. Monies shall only leave this account as approved by and when the relevant Carleton University and CUSA Signatories responsible for dispersing the “Restricted Healthcare Fund Account” provide documentation of allocation decisions. CUSA may provide the monies over the course of a fiscal year from its bank account in order to facilitate a single transfer from the account to CUSA per year for the ease of the Investment manager. Income gained beyond the principal shall be transferred to any of the three “General CUSA Investment Account” funds.

E. Restricted Ancillary Fee Group Trust Account

This account exists at the will of the CUSA Board of Directors. If the CUSA Board has reason to believe an Ancillary Fee group is mismanaging student monies, the CUSA Board can motion to “hold payable levy funds in trust” for specific student levy or ancillary fee groups. This account shall accumulate from the collection of said student levy or levies, and shall be invested in a Fixed Income Fund. Monies shall only leave this account as approved by the CUSA Board. CUSA may provide the monies over the course of a fiscal year from its bank account in order to facilitate a single transfer from the Fund to CUSA per year for the ease of the Investment manager. Income gained beyond the principal shall be transferred to any of the three “General CUSA Investment Account” funds.