

# INVESTING PLANNING POLICY ERJ 2.4.2

## INTRODUCTION

The Board of Edmund Rice Justice Aotearoa New Zealand Trust is responsible for ensuring that the organisation operates within a responsible, sustainable financial framework and that the organisation has adequate resources to carry out its work. Edmund Rice Justice Aotearoa New Zealand Trust’s Investment Plan forms an important part of fulfilling this responsibility.

## PURPOSE

This policy is designed to:

- Direct the use of investment funds of Edmund Rice Justice Aotearoa New Zealand Trust; and
- Determine Edmund Rice Justice Aotearoa New Zealand Trust's future financial planning strategies to ensure the organisation is able to maintain its operating budget and create growth.

## POLICY

The Board of Edmund Rice Justice Aotearoa New Zealand Trust is responsible for maintaining and extending the assets of the organisation, to provide for its long-term financial viability. In its stewardship of Edmund Rice Justice Aotearoa New Zealand Trust’s financial assets, the Board has adopted this policy to ensure that any assets not required for the current operating budget will be invested in accordance with Edmund Rice Justice Aotearoa New Zealand Trust’s Investment Plan.

The purpose of Edmund Rice Justice Aotearoa New Zealand Trust’s Investment Plan is to manage the cash assets not required for current operating expenses so as to maximise the earnings of such assets, while retaining security and minimising risks.

All interest and other earnings from such investments are deposited into Edmund Rice Justice Aotearoa New Zealand Trust’s operating account and thus become part of the annual operating budget.

The Investment Plan should be designed to ensure that:

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- Edmund Rice Justice Aotearoa New Zealand Trust’s funds are utilised to achieve a balanced operating budget.
- Edmund Rice Justice Aotearoa New Zealand Trust creates capital growth and generates income.
- There will be access to cash to cover current liabilities.
- Edmund Rice Justice Aotearoa New Zealand Trust will have access to cash for establishing new projects.
- Edmund Rice Justice Aotearoa New Zealand Trust will have access to cash for unforeseen expenses.

Edmund Rice Justice Aotearoa New Zealand Trust’s An Investment Plan must conform with the following principles:

- Priorities set in the Business 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.
- Edmund Rice Justice Aotearoa New Zealand Trust will only invest with reputable, established, proven, financial institutions.
- 100% of any share portfolio will be invested with ethical investments.

## **AUTHORISATION**

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Chair

19<sup>th</sup> May 2014

Edmund Rice Justice Aotearoa New Zealand Trust

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# INVESTMENT PLANNING PROCEDURES ERJ 2.4.1

## RESPONSIBILITIES

The **EO** and the Financial Administrator, in consultation with the **Finance Committee**, are responsible for recommending an Investment Plan portfolio for consideration by the Board in the context of the annual Business Plan.

## PROCEDURES

- The [CEO/Treasurer/Finance Committee] will investigate investment options and make recommendations to the Board, in the form of an Investment Plan, as part of the annual Business Plan. The Investment Plan must conform with the principles laid out in the Edmund Rice Justice Aotearoa New Zealand Trust Investment Policy.
- Edmund Rice Justice Aotearoa New Zealand Trust will retain an independent investment consultant to provide advice about investment opportunities and maintain a portfolio of investments.
- Edmund Rice Justice Aotearoa New Zealand Trust’s [CEO/Treasurer/Finance Committee Chair] will meet annually with the investment consultant to discuss the performance of the investment portfolio and report to the Finance Committee, which will in turn report to the Board.
- The [CEO/Treasurer/Finance Committee Chair] will receive information about and keep track of the progress of all investments, and report on the progress of the investments to the Board.
- The Investment Plan will be reviewed every 12 months as part of the strategic planning for the Business Plan.

## RELATED DOCUMENTS

- Edmund Rice Justice Aotearoa New Zealand Trust Budget Plan
- Edmund Rice Justice Aotearoa New Zealand Trust Business Plan

## AUTHORISATION

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Chair  
19<sup>th</sup> May 2014  
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