



POLICY NAME:	Financial Investment Policy
Effective Date:	August 13, 2025
Policies Rescinded:	1503 Investment Policy
Document Owner:	Corporate Services
Required Review Date:	September 2028
References:	

PURPOSE

The purpose of this policy is to provide investment strategies and establish a consistent, transparent approach to the investment of County funds. It ensures investments are managed in accordance with legislation and internal policies, particularly the County’s Fiscal Reserve Policy, which governs the treatment of specific reserves and interest earnings. The policy supports the County’s long-term financial health by aligning investment activity with cash flow requirements and risk management best practices.

To document a governance framework for the prudent management of the county’s investment portfolio within an acceptable investment risk tolerance level.

POLICY STATEMENT

Woodlands County is committed to managing public funds with integrity and fiscal prudence. This policy outlines investment practices that protect capital, ensure sufficient liquidity to meet obligations, and generate competitive returns, in compliance with the Municipal Government Act (MGA) and internal financial policies.

Administration shall establish procedures for this policy and shall be responsible to ensure the spirit and intent of the policy is adhered to

DEFINITIONS

CAO: Chief Administrative Officer of Woodlands County or their designate.

MGA: Municipal Government Act (Alberta), RSA 2000, Chapter M-26.

Liquidity: The County’s ability to convert investments into cash quickly and without significant loss in value, in order to meet operational and capital funding requirements as they arise.

Authorized Investments: Investment types allowed under the MGA, such as government bonds, municipal securities, and regulated deposit institutions.

Fiscal Reserve Policy: Woodlands County policy that governs the creation, use, and treatment of reserves, including the allocation of investment interest to designated reserves.

ADMINISTRATIVE RESPONSIBILITY

The CAO or designate (Director of Corporate Services) is responsible for the overall implementation, monitoring, and review of this policy. The detailed administrative responsibilities, including oversight of day-to-day investment activities, reporting, compliance monitoring, and training, shall be assigned through the County's internal procedures.

GUIDELINES

1. Safety

Investment decisions will prioritize the preservation of capital. Risk will be minimized through diversification, adherence to legislated investment classes, and conservative investment horizons.

2. Liquidity

The investment portfolio will be structured to ensure the County can meet projected expenditures, including payroll, debt servicing, and capital commitments.

Woodlands County shall maintain sufficient liquidity to cover a minimum of three (3) months of annual budgeted operating expenses. This threshold is intended to protect operations against delayed revenues, economic shifts, or emergencies. Liquidity planning will include:

- Maintaining a rolling cash flow forecast;
- Staggering maturity dates to match expected disbursements;
- Ensuring a portion of the portfolio is invested in instruments redeemable within 30 days.

3. Return on Investment

The County will seek a reasonable rate of return relative to prevailing market conditions, balancing safety and liquidity needs. Interest income will be allocated in accordance with the County's Fiscal Reserve Policy where applicable, interest earned on restricted reserves will be credited directly to those accounts.

4. Authorized Investments

The County shall only invest in instruments permitted under the MGA, including but not limited to:

- Government of Canada, Alberta, and other provincial securities;
- Municipal and regional government securities;
- Deposit instruments from financial institutions insured or regulated under Canadian law;
- Other instruments approved by the Minister, if applicable.

5. Delegation of Authority

The Chief Administrative Officer (CAO) or their designate is responsible for administering the investment portfolio. Third-party investment institutions may be engaged and must comply with this policy.



6. Diversification and Risk Control

The portfolio will be diversified by issuer, term, and type to mitigate risk. No more than 25% of the County’s total investment portfolio may be placed with a single non-government institution.

7. Reporting and Monitoring

- **Quarterly Reports:** The CAO will provide Council with quarterly updates on portfolio composition, compliance, and performance.
- **Annual Review:** The portfolio will be reviewed annually by Administration, with findings reported to Council and any recommended amendments identified.

8. Training and Awareness

Relevant staff will receive training on investment strategies, compliance requirements, and internal policies. Training records will be maintained by the CAO.

9. Review and Amendment

This policy shall be reviewed no later than five years from the effective date, or earlier if triggered by legislative changes, financial restructuring, or operational needs. Amendments require Council approval.

Original Signed

CAO Signature

END OF DOCUMENT

VERSION CONTROL

<i>Version</i>	<i>Date</i>	<i>Approved by</i>	<i>Type of Change</i>	<i>Summary of Change</i>	<i>Reference</i>