

STATEMENT of POLICY and PROCEDURE			
Chapter:	Governance	Policy #.	1.3.02
Section:	Finance	Issued:	December 6, 2013
Subject:	Assets	Effective:	December 2013
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Issued by:	The Saskatchewan Association of Licensed Practical Nurses	Reaffirmed	February 25, 2015

1. POLICY

- 1.1 The Licensed Practical Nurse Act 2000 Section 7 (1) states the Council shall manage and regulate the affairs and business of the association.
- 1.2 The Licensed Practical Nurse Act, 2000 allows for the management of SALPN Assets.
- (3) The Association may:
- (a) invest its funds in investments in which trustees are authorized to invest pursuant to The Trustee Act, 2009; and
- (b) sell or otherwise dispose of those investments and reinvest the proceeds in similar investments.
- 1.3 SALPN Administrative Bylaws provide the following:
- Banking and financial
- 5 (1) The executive director or his or her designate is authorized to approve financial commitments and authorize payments of amounts less than \$10,000.00
- (2) Notwithstanding subsection (1), the executive director may authorize movement of SALPN funds from one SALPN account to another and may invest the whole or any portion of the SALPN funds in investments in SALPN's name
- (3) At each regularly scheduled meeting of the council, the executive director shall provide the most current balance sheet and statement of revenue and expenditure.

2. PROCEDURE

- 2.1 The Executive Director shall not allow organizational assets to be unprotected, inadequately maintained or unnecessarily risked.
- 2.2 Accordingly, the Executive Director shall not:
- a. Fail to maintain adequate insurance against theft, fire, and casualty losses, and against liability losses to Councillors', staff and individuals engaged in activities on behalf of the SALPN or the SALPN itself. Adequate insurance is deemed to be an amount comparable to that held by similar organizations.
- b. Unnecessarily expose the SALPN or its Councillors, and staff to claims of liability

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- c. Allow or cause personnel access to substantive amounts of funds or other material assets
- d. Allow or cause equipment to be subjected to improper wear and tear or insufficient or inadequate maintenance.
- e. Receive, process, or disburse funds outside internal controls to which there is no merit with the Council-appointed auditor's standards.
- f. Make purchases without due consideration to cost, after-purchase service, value for the dollar, and opportunity for fair competition. The Executive Director shall not:
 - o Make any purchase wherein normally prudent protection has not been given against conflict of interest;
 - o Make any unbudgeted capital expenditure of greater than \$10,000
- g. Fail to protect intellectual property, information and files (electronic and paper) from loss or significant damage.
- h. Invest and hold operating capital in insecure instruments, including uninsured chequing accounts, or in non-interest bearing accounts excepts where necessary to facilitate ease in operational transactions:
 - o Fail to diversify the investment portfolio to minimize risk and optimize liquidity and return;
 - o Fail to design the investment strategy so as to assure the necessary cash flow.
- i. Receive, process, or disburse funds in a manner inconsistent with the Council appointed auditor's standards.
- j. Fail to implement recommendations in the auditors' management letter, or provide acceptable rationale to the Council as to why they should not be implemented.
- k. Acquire, encumber (mortgage), or dispose of real property (real estate) without Council knowledge and or approval via Council motion.
- l. Make any unbudgeted purchase or commitment greater than 2 years.
- m. Fail to protect against unforeseen loss of income or unanticipated expense by maintaining designated reserve funds as follows:

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- A contingency for unforeseen expenses establish over time to a maximum equivalent to six months operating costs;
 - A catastrophic legal fund for litigation against the SALPN, and for investigation, complaint review and hearing expenses respecting complaints lodged with the SALPN against registrants.
- n. Fail to protect the value of the reserve funds
- Fail to direct all interest earned on the capital in the designated reserve funds back into those funds;
 - Use the designated reserve funds for purposes other than costs associated with activities falling within these fund categories as anticipated and so designated by Council when the funds are/were created;
 - Fail to advise Council of all expenditures from designated reserve funds.

- 2.3 The SALPN shall adopt an investment strategy for reserve funds which:
- a. Required all SALPN investments be in short term investments (1 to 3 years) in a combination of no risk and/or low risk investment instruments.
 - b. Defines low risk investments as those investments instruments which:
 - Show a 5 year performance of no loss of capital in any 1 year period, but allow some fluctuation within any particular year;
 - Show a 5 year performance where loss within any one year was no more than 5% of capital.
 - c. Limits the choice of low risk and/or risk investments to those which:
 - Provide a reasonable return, competitive for the current market conditions for that type of instrument;
 - Have experienced management with a solid track record
 - d. Allows a mix of investment instruments including both no risk (eg. GICs/term deposits) and low risk (eg. Short term bond funds as well as bonds and low risk mutual funds).
 - e. Requires access to the principal at least once annually without penalty and/or fees.

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- f. Requires a review on an annual basis of this policy and the investments.