IfSE Investments & Savings policy

1. Purpose

This policy provides guidelines for investing and saving IfSE funds with the objective to generate reasonable earnings through a prudent investment and savings strategy, whilst ensuring sufficient liquidity for day-to-day operations.

Any funds generated from this investment and savings policy will be used to fund initiatives to further the purpose and mission of IfSE.

2. Available Investment and Account Options

IfSE as a minimum will maintain a current account to fund the day-to-day ongoing accounting operations for IfSE. This current account will be held at the bank deemed most advantageous to IfSE and to be reviewed at least every two years by the Finance Director and Deputy Finance Director

In addition, a variety of investment and savings options exist with each options having a different risk profile and accessibility to any funds invested / saved. The options available include:

- Instant access savings accounts – typically low interest rates, with minimal restrictions on accessing funds
- Notice Savings accounts – typically a higher return than instant access accounts, access to funds restricted by a set waiting period
- Fixed Rate savings accounts – accounts offering higher interest rates, paid over a fixed period, cash withdrawals within period maybe possible but only with a penalty
- Business money market accounts – for saving surplus funds for variable fixed periods, some restrictions on withdrawal of funds
- Investment accounts – providing options including stocks, bonds, mutual funds and exchange traded funds (ETF)
- Foreign Currency – depending on interest rates there maybe benefit in transferring funds into US Dollars to take advantage of preferential interest rates for future payments to INCOSE.

The choice of bank may restrict or provide access to one or more of these accounts. Therefore, the choice of bank for IfSE should consider the accessibility to these accounts as a selection criterion, along with preferential rates.

The selection of additional savings and investment accounts will be reviewed by the IfSE Finance Director and the IfSE Deputy Finance Director every 2 years in line with policy

review. Recommendation on appropriate investment and savings account options will be presented to the IfSE directors for agreement.

3. IfSE Selected investment and savings accounts

Due to the initial set up of IfSE a conservative approach to investment and savings will be undertaken to ensure funds are available to cover the costs of set up. In addition to the minimum required current account IfSE will hold:

- An instant access savings account. This will be used as the primary account for excess funds.
- A US Dollar account. This account will be used to transfer cash to pay INCOSE membership either at the point of payment is due, or at a point where the exchange rate is beneficial the minimum beneficial exchange rate is considered to be 1.25 Dollars to Pound sterling. It will be at the discretion of the IfSE Finance Director to determine appropriate point to make purchase of dollars, with the limit not to exceed the expected annual fees due to INCOSE.
- A fixed rate interest account. This account will be used to invest any funds that are in excess of the limits within the IfSE reserve policy and the expected expenses associated with IfSE set up costs.

4. Investment and savings considerations

The following guidelines will be considered when determining appropriate investment and savings options for IfSE:

- Financial risk position
- Capital expenditure requirements beyond day-to-day operations
- IfSE Reserves policy
- Alignment with IfSE values and mission
- Financial advice taken

5. Return requirements

Currently there is no set return requirement for the investment and savings for IfSE. This will be reviewed with policy update and will set guidelines over the potential range and make up of investment allocations across the investment and savings options.

Investment accounts will not be entered into without first having taken financial advice or engagement of an investment manager. Engagement of any investment manager will not be undertaken unless approved by IfSE directors.

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6. Authority, management, and oversight

Reporting of the IfSE investments and savings will be reported by the IfSE Finance and / or Deputy Finance Director at IfSE council meetings and IfSE Directors meetings. It will be the responsibility of the IfSE Finance and Deputy Finance Director to manage the IfSE investments and savings.

The IfSE Finance Director is responsible for maintaining this policy.