

OLDS COLLEGE POLICY

Olds College recognizes the need for Policies and Procedures, and the need for staff and students to be familiar with and follow such policies and procedures. It is the intent of Olds College that breach of College policies or procedures shall result in disciplinary measures up to and including suspension or termination. This applies to all College staff and representatives.

CATEGORY:	B. Finance and Administrative
SUBJECT:	Reserves
POLICY NUMBER:	B16
CROSS REFERENCE:	B02 – Operations Budgets

NEW \ REVISED	
Administrative Services Committee	Academic Council
September 19, 2016	

POLICY STATEMENT

It is prudent financial management to set aside a minimum level of unrestricted net assets (accumulated surplus) (UNA) to be retained on an ongoing basis to offset any future excesses of expenditures over revenues. This is an active risk management strategy to shield the college operations from unforeseen circumstances.

SPECIFIC GUIDELINES

Unrestricted net assets shall be accumulated to a **minimum of three percent (3%) of the annual operating budget.**

Once the minimum unrestricted net asset balance has been achieved, the college may develop plans to utilize the UNA balance in excess of the minimum threshold.

Unrestricted net assets in excess of the minimum level may be used as follows:

- i) To address one-time budget allocations as part of the annual budget process
- ii) To address an annual operating budget deficit
- iii) To address other one-time expenditures that are deemed necessary
- iv) To establish internally restricted net assets for future requirements. The overall purpose of restricting net assets is to provide for longer term future needs of the college

Further to above utilization strategies, unrestricted net assets in excess of the minimum amount may be accumulated and internally restricted for major future initiatives and requirements

Board of Governors approval shall be required for any expenditure of unrestricted net assets or for the establishment of internally restricted net assets. The Board of Governors is to ensure that the spending of internally restricted net assets support the purposes for which the net assets were restricted unless the funds are repurposed by a board resolution.

IMPLEMENTATION AND ADMINISTRATIVE RESPONSIBILITY

The Vice President responsible for Business Services in conjunction with the CFO. This policy will be reviewed at least every five (5) years.