

RELATED PARTY TRANSACTIONS

This document is the parent policy for any College procedures. Questions regarding this policy are to be directed to the identified Policy Owner.

Category:	F. Finance
Policy Number:	F19
Approval Date:	June 23, 1994
Effective Date:	June 23, 1994
Policy Owner:	Chief Financial Officer

Objective:	To outline policies and procedures used by Olds College of Agriculture & Technology (the "College") with respect to related party transactions. The objective of this policy is to disclose any transactions between a Related Party (as defined above) and the College.
Policy:	<ol style="list-style-type: none"> 1. Interchanges of goods or services between related parties are considered to be related party transactions even though they may not have been given accounting recognition. Disclosure would include a brief explanation of such transactions and the fact that no charge has been made. 2. Disclosure of details of particular transactions with individual related parties would frequently be too voluminous to be easily understood. Information would usually be most useful if aggregated by type of transaction and nature of relationship. Disclosure on an individual basis may be more informative when there are significant transactions with specific related parties. 3. When transactions with related parties have been made on the same terms as current transactions with unrelated parties under similar conditions as to volumes, credit terms, etc., disclosure of that fact would provide useful information. 4. The management of a reporting enterprise has an obligation to make reasonable efforts to identify all related parties, considering all available evidence. Circumstances that might indicate the existence of related parties could include abnormal terms of trade or transactions not normally entered into by the reporting enterprise. In this context the policy regarding declarations of possible conflicts of interest may be of assistance. <p>Disclosure of Economic Dependence When the ongoing operations of a reporting entity depend on a significant volume of business with another party, the economic dependence on that party should be disclosed and explained. Such parties are not considered to be related parties by</p>

	<p>virtue of economic dependence. The volume of business transacted with another party may be so significant, however, that the viability of the reporting entity rests on such economic dependence. In these circumstances, users need to be made aware of the economic dependence.</p>
Definitions:	<p>Related Party Transactions:</p> <ul style="list-style-type: none"> • Transactions that take place between parties who, because of their relationship, are not independent of one another. • Transactions with an individual who directly, or indirectly through one or more intermediaries, controls the reporting enterprise. • Management: any person(s) having authority and responsibility for planning, directing and controlling the activities of the reporting enterprise. Management will include the Executive, Deans and others persons fulfilling a management function.
Related Information:	
Related Procedures:	<p>F19 Related Party Transactions Procedure</p>
Review Period:	<p>3 years</p>
Revision History:	<p>New: June 1994</p>