



POLICY STATEMENT

Policy Name	Internally Restricted and Unrestricted Operating Surplus		
Policy #	407-G	Category	Finance
Approved by	Board of Directors	Previous Revision Date	June 20, 2014
Policy Sponsor(s)	Associate Vice-President Financial Services	Revision Date	April 27, 2017
		Review Date	April 2020

PURPOSE

This policy provides direction on the accumulation and use of internally restricted and unrestricted operating surplus.

GUIDING PRINCIPLES

As a public sector organization, Saskatchewan Polytechnic is expected to use its funds to provide programs and services that will benefit society. Therefore, the accumulation of unrestricted operating surplus is not a desirable goal in and of itself. However, the maintenance of a modest surplus is prudent in order to ensure stability in case of unforeseen revenue fluctuations. Any accumulation of internally restricted funds should be with a clear purpose and with authorization by the board of directors.

POLICY

- The Multi-year Business Plan shall annually present the planned usage or accumulation of unrestricted and internally restricted operating surplus for the approval of the Saskatchewan Polytechnic board of directors.
- Internally restricted operating surplus may be accumulated to deal with major future requirements.
- The transfer of funds to and from internally restricted operating surplus shall require resolution by the Saskatchewan Polytechnic board of directors.
- The balances presented for internally restricted and unrestricted operating surplus shall be determined in accordance with Canadian Public Sector Accounting Standards.

DEFINITIONS

Unrestricted Operating Surplus: the portion of accumulated aggregate surpluses and deficits from prior years that is uncommitted and where Saskatchewan Polytechnic's has discretion as to its use.

Internally Restricted Operating Surplus: the portion of unrestricted operating surplus restricted by Saskatchewan Polytechnic's board of directors for a specified future purpose.

RELATED POLICIES/DOCUMENTS

No related procedures, policies, and/or documents.

APPLICABLE LEGISLATION OR REGULATIONS

Canadian Public Sector Accounting Standards and Handbook.