



## POLICY AND PROCEDURE STATEMENT

<b>SUBJECT:</b>  Internally Restricted and Unrestricted Operating Surplus	<b>CATEGORY:</b>  Governance – High Risk Decisions	<b>NO.</b>  407-G
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### PREAMBLE

The accumulation of internally restricted and unrestricted operating surplus in a public sector organization is not a desirable goal in and of itself. The general expectation is that SIAST will use its funds to provide programs and services that will benefit society.

### POLICY

- On an annual basis, recommendations on the appropriate level of unrestricted and internally restricted operating surplus and the utilization of any excess amounts shall be presented to the SIAST board of directors as part of the operating and capital planning process for approval.
- 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 SIAST board of directors.

### PROCEDURE

- The balances presented for internally restricted and unrestricted operating surplus shall be determined in accordance with the Canadian Public Sector Accounting Standards.
- In determining the appropriate amount of internally restricted and unrestricted operating surplus, SIAST shall consider the amount of revenue derived from sources other than the provincial government transfers identified in the annual schedule of funding. SIAST's remaining revenue (approximately 30%) comes from sources that are subject to significant variations depending upon market fluctuations, competition and other external factors beyond SIAST's control.

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- SIAST shall identify the major future requirements for new program initiatives, program renewal and the purchase or replacement of infrastructure and the costs associated with these activities.

**AMENDMENT HISTORY**

1. Original issue date: April 27, 2001
2. Revision dates: January 22, 2010  
June 20, 2014
3. Scheduled review date: June 20, 2017

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