



## POLICY STATEMENT

Policy Name	<b>Internally Restricted and Unrestricted Operating Surplus</b>		
Policy #	<b>407-G</b>	Category	<b>Finance</b>
Policy Sponsor(s)	<b>Associate Vice-President Financial Services</b>	Previous Revision Date	<b>June 18, 2020</b>
Policy Approved by	<b>Board of Directors</b>	Revision Date	<b>March 31, 2023</b>
Procedures Approved by		Review Date	<b>March 2026</b>

### 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

1. 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.
2. Internally restricted operating surplus may be accumulated to deal with major future requirements.
3. The transfer of funds to and from internally restricted operating surplus shall require resolution by the Saskatchewan Polytechnic board of directors.
4. 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.

## **APPLICABLE LEGISLATION OR REGULATIONS**

Canadian Public Sector Accounting Standards and Handbook.