

## Current Restricted Funds

<b>Category:</b> Finance	<b>Policy Number:</b> 2020	<b>Effective Date:</b> 88-06-28	<b>Related Policies:</b>
<b>Approved By:</b> Administration	<b>Maintained By:</b> Chief Financial Officer	<b>Amended:</b> 98-03-16 03-06-16	<b>Review Due:</b> 04-06-16

Current Restricted funds are special funds that have been established to carry out projects that are not funded through the normal operating and capital budget allocation process. A current restricted fund can arise from one of the following sources:

1. Grants, gifts, or donations from external organizations to carry out projects that are advantageous in promoting BCIT, to assist BCIT students in special projects related to their training, or to provide special training and facilities that are not funded from the operating grant. This type of funding must have the approval of the appropriate Vice President prior to the funds being accepted.
2. Funds held in trust for student or staff organizations, clubs, groups, etc. and administered on their behalf. This type of fund must have approval of the appropriate Vice President prior to the funds being accepted.

In a fiscal year in which an operating surplus is achieved in accordance with the Ministry of Advanced Education policy 9.02.00.00 and the surplus is **LESS** than one percent of the year's gross operating budget BCIT can establish specific purpose funds to carry out projects that have not been funded through the usual operating budget allocation process. The following approvals are necessary before the projects can commence.

- a. Projects up to \$100,000 must be approved by the Vice President.
  - b. Projects over \$100,000 must be approved by the Chief Financial Officer.
3. In a fiscal year in which an operating surplus **EXCEEDING** one percent, but not greater than three percent of the year's gross operating budget is achieved, the Board of Governors may designate funds in accordance with our Ministry policy 09.03.00.00 on Operating and Capital Budget surplus. Specific purpose funds designated under this policy must be expended within three years of being established unless approved by the Ministry. The funds must be designated by July 1 of the year in which the surplus occurred.

The Ministry responsible for BCIT must be provided with all Board of Governors' resolutions regarding the designation of surplus funds.

## **Current Restricted Funds - Procedures**

### **Documentation Required**

All types of current restricted funds must have written documentation to be obtained in the Financial Services Accounting Department outlining the following:

1. Authorization as required under points 1-3 of the current restricted funds policy.
2. How the funds are to be spent and stating any restrictions.
3. Any external approvals or progress reports that are required at interim or final stages of the project.
4. The ownership rights of any equipment or similar assets that are purchased with the funds. It should be clearly stated whether the external organization or BCIT owns the assets purchased.
5. Specify the person(s) responsible for authorizing expenditures from the fund.
6. An operating unit may be charged for any overrun of expenditures. The manager responsible for the unit must give written authorization.

Departments can make proposals to designate funds under items 2 and 3 of the policy by submitting the proposal to the Chief Financial Officer. Proposals must include the applicable documentation as outlined above. The proposal cannot be approved until the Chief Financial Officer is certain that the Institute will have a surplus of funds for the fiscal year.

The Financial Services Accounting Department is responsible for issuing general ledger accounts to record the expenditures and related revenues for the funds.