



AUTHORITY: Finance Committee

RATIFIED BY: SUS Board of Directors

RELATED DOCUMENTS -Investment Policy
-Contingency Fund Policy
-Endowment Fund Policy

Purpose

This policy outlines the use of surplus funds at the end of each fiscal year.

1.0 Recognition

1.1 A surplus is when the Society's revenues exceed its expenses for a fiscal year.

1.2 Withdrawals from the UFV SUS Contingency Fund and/or the UFV SUS Endowment Fund are not considered revenue in the calculation of a surplus.

1.2.1 Interest received from the Endowment Fund is considered revenue.

2.0 Use of Surplus Funds

2.1 If money has been withdrawn from the Contingency Fund and/or the Endowment Fund in the fiscal year, then the Society must reinvest the value of the money withdrawn in that fiscal year, or as much as possible, first replacing withdrawals from the Contingency Fund, and then the Endowment Fund.

2.2 Money withdrawn from the Contingency Fund used to cover an overall budget shortfall from the previous year is not considered in 2.1.

2.3 If no money has been withdrawn from the Contingency Fund and/or the Endowment Fund in the fiscal year, or if section 2.1 has been fully met:

2.2.1 At least 25% of the surplus must be invested into the Contingency Fund.

2.2.2 At least 25% of the surplus must be invested into the Endowment Fund.

2.2.3 At least to 15% of the surplus must be spent on Emergency Student Grants and/or Student Scholarships

2.2.4 Up to 35% can be used at the discretion of the Board

3.0 Repeated Surpluses

3.1 If a surplus is generated in consecutive years, or three times in five years, the person and/or committee responsible for creating the Budget must review its practices to create a more accurate budget.