

UNIVERSITY OF LETHBRIDGE FACULTY ASSOCIATION

POLICY RE. SURPLUS FUND

Accounting practices recommend that an organization's surplus fund be anywhere from the equivalent of one-half to one full year's operating expenses. The Budget/Personnel Committee recommends that a surplus fund minimum be established at $\frac{3}{4}$ or 75% of the annual operating budget. In a given year, when the surplus exceeds the desired minimum, the amount above the minimum may be used to balance the annual budget, if necessary. Should the surplus fund drop below its recommended minimum it may not be used until such time as the minimum amount has again been reached. In the meantime, in any given year, if the anticipated budget expenditures surpass the revenues, the mil rate will be increased to balance the budget for that year.

Approved by the Executive, Meeting No. 22, June 11, 2008

Approved by the Fall General Meeting, October 27, 2008