



VICTORIA UNIVERSITY
IN THE UNIVERSITY OF TORONTO

VICTORIA UNIVERSITY ADMINISTRATIVE POLICY

Policy Concerning Spending of Restricted Funds

To request an official copy of this policy, contact:

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PREAMBLE

The University is pleased to accept donations from its benefactors to support its members and operations. Frequently, the use to which these donations and the income from them, where they have been endowed and invested, may be directed is prescribed by terms created by the donor (externally restricted funds) or, failing that, by the Board of Regents (internally restricted funds).

Under normal circumstances, spending of these monies does not exceed the funding available. But, from time to time, situations arise in which overspending occurs and may be appropriate. Thus, the following guidelines have been established to give direction to and control of the spending of restricted funds and income from the investment of such funds.

GUIDELINES

1. Monies available from restricted funds will be expended only for the purposes described in the terms of the gift or as determined by the Board of Regents.
2. The amount of funding to be spent from a restricted fund will not exceed the amount available (i.e. the free balance) in any given year, unless one of the following conditions apply:
 - a) The terms detailing the use of the funding are consistent with overspending in any given year on the understanding that in the year following, spending will be reduced to a level that will bring the amount back into balance by the end of that year
 - b) The use to which the funding is put is governed by a policy or practice approved by the Board of Regents that results in the fund being overspent (e.g. student in-course scholarships). In such circumstances, the manager responsible for disbursement of the funds will advise the Bursar as soon as he/she becomes aware that overspending will occur. The Bursar in consultation with the manager and other appropriate officers and staff will determine how the overspending will be accommodated in both the current year and future years. It is intended that the account will be brought back into balance within one year
 - c) The costs of a project or specific activity for which a restricted fund has been specifically established have overrun the approved estimates and the restricted account will incur overspending if activity continues. The situation will be brought to the attention of the Bursar as soon as the manager of the project or activity becomes aware of the probability of overspending. The Bursar, in consultation with the manager and other appropriate officers and staff will determine whether or not the project or activity may proceed, in light of alternate sources of funding, or have to be curtailed and terminated prematurely, making all appropriate arrangements should early termination be necessary.
3. The Bursar will present reports annually to the Audit Committee and Finance Committee of the Board of Regents summarizing overspending of restricted funds for the previous year. Where overspending exceeds 10% of the annual income of any fund, details will be given of the circumstances surrounding the overspending and the actions planned to rectify the situation.