



DENMARK TECHNICAL COLLEGE

ADMINISTRATIVE POLICY # 03.20.03.01(2020) UNRESTRICTED NET ASSETS & RESTRICTED NET ASSETS POLICY

Policy Title: Unrestricted Net Assets and Restricted Net Assets Policy

Policy Type: Administration

Policy Number: ADM Policy #03.20.03.01 (2020)

Legal Authority:

State Board Policy:

Approval Date: May 4, 2020

Responsible Office: Office of Fiscal Affairs

Responsible Executive: Vice President of Fiscal Affairs

Applies to: College Community

POLICY STATEMENT:

The general expectation is that Denmark Technical College will use its funds to provide programs and services that will benefit society.

However, it is prudent management set aside a minimum level of unrestricted net assets (accumulated surplus) to be retained on an ongoing basis to offset any future excesses of expenditures over revenues. This serves to manage risk for the college and also helps to manage cash flow levels for the college. Area Commission approval shall be required for any expenditure of unrestricted net assets or for the establishment of internally restricted net assets.

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DEFINITIONS

PROCEDURE STATEMENT:

The restricted and unrestricted net assets shall be determined in accordance with the Generally Accepted Accounting Principles.

One-time expenditures identified as part of the annual budget process will be documented and approved through the annual budget process.

A utilization plan will be developed for other one-time requests for the use of unrestricted net assets. The transfer of funds to and from unrestricted net assets shall require resolution by the Denmark Technical College Area Commission.

CONTACT(S)

The Vice President of Academic Affairs officially interprets this policy. Additionally, the Vice President of Academic Affairs is responsible for obtaining approval for any revisions as required through the appropriate governance structures. Questions regarding this policy should be directed to the Office of Academic Affairs.

STAKEHOLDER(S)

College community; more specifically, students and faculty

TITLE: POLICY CONTENTS PUBLICATION

The policy will be widely distributed to the College community. To ensure timely publication and distribution thereof, the Vice President of Academic Affairs will make every effort to:

- Communicate the policy in writing, electronically, or otherwise to the College community, including current and prospective students within fourteen (14) days of approval;
- Submit this policy for inclusion in the Policy Library within fourteen (14) days of approval;
- Post the policy on the College’s webpage and all other related webpages, in the student handbook, and in the College catalog; and
- Educate and train all stakeholders and appropriate audiences on the policy’s content as necessary.

REVIEW SCHEDULE

- Next Scheduled Review: May 4, 2022
- Approval by, date: Area Commissioners, N/A
- Revision History: None
- Supersedes: N/A

RELATED DOCUMENTS

There are no related documents associated with this policy.

FORMS

There are no forms associated with this policy.