

Medicine Hat College Board Policy

Policy #: **FIN-02 Assets**

Effective Date: May 16, 2023

Next Mandatory Review Date: May 16, 2026

Frequency of Reviews: Every 3 years



1. HIGH LEVEL STATEMENT

The Board of Governors (the Board) supports Medicine Hat College's (MHC) commitment to accessible, high-quality, responsive, lifelong learning opportunities and to responsible fiscal and environmental stewardship of resources by providing oversight on the creation, administration, and use of the net assets.

2. PURPOSE

This policy confirms that in accordance with the Post-secondary Learning Act, the Board is required to enter into an investment management agreement with the Minister and submit a budget and capital plan on or before a date specified by the Minister.

3. SCOPE

This policy applies to all funds defined as net assets by MHC.

4. PRACTICES

MHC prepares an annual operating budget and capital plan which ensures that MHC plans the use of its resources in an open, transparent, and accountable manner that supports the continued achievement of its strategic priorities.

4.1 Net Assets

- 4.1.1 All net assets will be managed and disclosed in accordance with the Public Sector Accounting Standards.
- 4.1.2 Net assets and changes will be reported in the annual audited financial statements.

4.2 Surplus

- 4.2.1 Management sets aside a minimum level of funds to be retained on an ongoing basis to offset any future excess of expenditure over revenues to manage risk for the college
- 4.2.2 A 'Restricted Net Assets - Working Capital' between 2% and 5% of budgeted annual revenues will be maintained and used towards innovation, opportunities, and fiscal stabilization.

- 4.2.3 The board will be informed if 'Unrestricted Net Assets' goes into a deficit position and be provided with a plan of action required to restore operations to a balanced or surplus position.