



## BUSINESS ADMINISTRATION

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### EXCESS FUNDS 208

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#### **Rationale**

The CISVA Board recognizes that from time to time there may be a surplus of funds in the school's operating account.

#### **Policy**

Funds in a school operating account that are surplus to immediate demand may be placed in appropriate interest-bearing term deposits in the title of the school account and within the same bank office in such a way that, at maturity, these deposits together with accrued interest, are automatically returnable to the operating account.

#### **Procedure**

In the usual operation of a school, the school may have accumulated an excess of revenue over expenses at year end. After receiving the year end audit, these funds will be dealt with in one of the following ways:

#### **PARISH SCHOOL**

1. The Pastor may require the school to return to the parish an amount equal to the subsidy the school received in that year. If the amount is in excess of parish subsidy, it may be applied to parish subsidy for future years.

NOTE: If, during the course of the year, it becomes obvious that there will be an excess of revenue over expenses, and the Pastor intends to exercise this option, it would be preferable to cease parish subsidy payments in order to reduce the amount returned to the parish at year end.

2. The Education Committee, with the approval of the Pastor, may apply some or all of the excess of revenue over expenses to equipment expenses.
3. The Education Committee with the approval of the pastor may put the excess revenue after expenses in a reserve account. (see Business Administration #204) The accumulation of funds in this account should not exceed 20% of the current year's budget without the written approval of the Board of Directors.

#### **REGIONAL SCHOOLS**

1. The Education Committee, with the approval of the Archbishop's Representative, may apply some or all of the excess of revenue over expenses to equipment.
2. The Education Committee with the approval of the Archbishop's Representative may put the excess revenue after expenses in a reserve account. (see Business Administration #204) The accumulation of funds in this account should not exceed 20% of the current year's budget without the written approval of the Board of Directors.



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#### Return of Parish Subsidy (Other)

1. Parish subsidy must be recorded as either Parish Subsidy Fund Raising or Parish Subsidy (Other).

Concept of Parish Subsidy (Other) is: "The parish subsidy for an elementary school is an amount given by the parish to the school. Normally the school expenses are higher than its income, hence the parish gives a subsidy to make up the difference". On those occasions when it may be necessary or desirable to transfer part or all of that subsidy back to the parish, procedures must be followed that give the appearance of and are in fact both legally and ethically correct.

2. Only those funds that have been entered into the schools books under the heading Parish Subsidy (Other) may be transferred to the Parish account.
3. During the school year no amounts greater than the entries under Parish Subsidy (Other) may be returned to the parish. At the end of the year no amount greater than the cumulative entries under Parish Subsidy (other) may be returned to the parish. The balance of Parish Subsidy (Other) must always be plus (+) or zero(0), never negative (-).
4. Any other recovery of Parish subsidy not taken during the year or at year end requires permission from the Board of Directors.
5. When actually transferring funds the amount of the transfer must be a negative entry in the school accounts Parish Subsidy (Other) and must be recorded as a positive entry in the parish accounts under Parish Subsidy (school subsidy).

Reference:	Approved: Board of Directors
	Date Approved: Pre - 1996
Cross-reference:	Date(s) Revised: