



## **POLICY AND PROCEDURE MANUAL**

**SECTION: Financial**

**POLICY: FI 09**

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### **INTERNALLY RESTRICTED NET ASSETS**

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#### **PURPOSE**

The overall purpose of restricting net assets is to provide for specific longer term future needs of the Corporation. The policy is to ensure that the spending of internally restricted net assets follows specific guidelines and procedures that support the purposes for which the net assets were restricted.

#### **DEFINITIONS**

Internally restricted net assets: Designations of accumulated annual surpluses/deficits to reflect a policy purpose, and unrestricted funds that have been set aside for specific purposes by the Board.

Unrestricted funds: Contributions received by Contact Brant that have no specific requirement for expenditure.

#### **POLICY**

The Contact Brant Board may restrict the use of any unrestricted net assets and funds for specific future uses.

#### **PROCEDURES**

1. The CEO may recommend to the Board to restrict the use of unrestricted funds and net assets to fund specific activities in the future.
2. Internally restricted net assets accounts are established and dissolved by Board motion.
3. Internally restricted net assets approved by the Board are not available for the corporation's general operations.
4. The CEO is authorized to approve the spending of these accounts.
5. The CEO will account to the Board for the expenses of each of the internally restricted net assets accounts in conjunction with the presentation of the monthly financial statements.
6. When related internally restricted fund expenses are incurred, these expenses are charged to operations and the balance of the internally restricted net assets is reduced accordingly.