

CONTINUING EDUCATION NET REVENUE ACCOUNT

This document is the parent policy for any College procedures. Questions regarding this policy are to be directed to the identified Policy Owner.

Category:	B. Financial / Administrative
Policy Number:	B18
Approval Date:	June 15, 2023
Effective Date:	June 15, 2023
Policy Owner:	Vice President, Academic

Objective:	<p>In order to ensure the stable year-to-year operations of the College's educational activities that are not funded by the College's Campus Alberta annual grant, it is necessary to create an internally restricted net asset fund. These funds will be maintained on a department basis to hold a portion of any excess net revenues beyond the amount budgeted in the annual Board approved budget. The purpose of the fund is to:</p> <ol style="list-style-type: none"> 1. allow Continuing Education to accumulate funds to be used for such items as program development, market research, capital acquisitions and marketing (this is not an exhaustive list). 2. contribute to the College's financial sustainability.
Policy:	<p>For the purpose of this policy, direct costs include:</p> <ul style="list-style-type: none"> • all incremental costs associated with Continuing Education course or program delivery • Continuing Education direct administrative and management costs, and • Prorated salaries of based funded positions that teach or support Continuing Education courses without a separate contract. E.g. Using a full time instructor to teach a C.E. course and then C.E. paying for the replacement of that member's workload. <p>Direct costs do not include:</p> <ul style="list-style-type: none"> • facility costs except when material incremental costs are incurred or if additional facilities are leased for Continuing Education course delivery • College leadership costs except the Director, Continuing Education, and • Regular administrative costs provided by College support departments <p>For the purposes of this policy, Continuing Education activity includes all Continuing Education programming and courses that report to the Director, Continuing Education:</p> <ol style="list-style-type: none"> 1. An internally restricted net asset account shall be established by the CFO and Director of Sustainability for the Director of Continuing Education.

2. As part of the budget process in each fiscal year, the Director, Continuing Education will assume responsibility for a net revenue target to be earned through revenue-based activity.
3. If, at the end of a fiscal year, the minimum net revenue target for Continuing Education is exceeded:
 - a. One-half (1/2) of the excess revenue will be retained by the College to contribute to the College's financial sustainability.
 - b. One-half (1/2) of the excess net revenue, if any, will be placed in the internally restricted net asset account up to a maximum of \$100 000.
 - c. Any excess over \$100 000 reverts back to the College.
4. In the event that the board approved budget is not met, any shortfall would be funded in the following method::
 - a. Up to one-half (½) of the current year shortfall may be applied to reduce the internally restricted net asset account for Continuing Education, so long as there is a balance in the corresponding net asset account to draw from.
 - b. Contributions to this net revenue account may be suspended if they would result in the overall value of unrestricted net assets falling below the minimum amount stipulated in the Executive Limitations set by the Board of Governors. Contributions suspended in the manner will be repaid in subsequent years, as funds become available.

Definitions:

Net Revenue Target: Is the board approved budget, amount of revenue compared to expenses.

Related Information:

Related Procedures:

B18 Continuing Education Net Revenue Account Procedure

Review Period:

3 years

Revision History:

Revised: 2018
Revised: 2023