



Financial Criteria for the Transfer of Costs from the Strategic Initiative Fund to the Operating Fund

Category: Financial;

Jurisdiction: Provost and Vice President, Academic;

Approval Authority: Executive Team;

Established on: January 15, 2013;

Amendments: None.

Purpose:

The purpose of this policy is to establish the criteria for transferring long-term financial commitments from the Strategic Initiatives Fund to the Operating Fund. The Strategic Initiative Fund is not intended to be a source of funds for long-term, ongoing, expenditures. When the Strategic Initiative Fund provides for expenses that are ongoing, responsibility for ongoing costs must be transferred out of the Strategic Initiative Fund no later than three years from the approval of the expenditure.

Scope:

This set of criteria applies to multi-year funding within the Strategic Initiative Fund that establishes commitments that are three years or longer. It applies more specifically to longer-term positions (particularly Academic) and major long-term initiatives

Types of transfer

1. Where the expenditure is for a permanent academic position, and the Department has been successful in establishing the incremental revenue needed to pay for the position, the expenditure will simply be added to the operating fund.

2. Where the expenditure is for a permanent academic position, and the Department has NOT been successful in establishing the incremental revenue needed to pay for the position, the expenditure will still be added to the operating fund but there must be an offsetting reduction elsewhere in the Faculty. For example, the Faculty would lose the next position to come available through retirement or resignation unless there is an equivalent sustainable reduction identified and instituted.
3. Where the expenditure is for a term position it cannot be funded for more than three years. From then on it must either be included in the operating fund or deleted. The determination of term position's future will be based on the extent to which the term position is supported by incremental revenue and conducted within the normal budget cycle.
4. Where the expenditure is multi-year support for a major initiative (like international), the funds will be subject to the same limited term. However, the actual determination of support will be based on the individual program's budgetary targets and will be separately addressed. Each of these will be separately developed as attachments to this protocol.

Financial Determination of Success

1. The total incremental revenue gain (generally based on enrolment data provided by Institutional Analysis) is more than twice as much as the increased cost attributed to the new position.
2. There is clear evidence that this is sustainable (waiting list, long-term experience, etc.)
3. All positions will be reviewed annually but cannot be maintained in the SIF for longer than 3 years.

Attachment A – International Initiative and Strategic Initiative Fund

The international program revenue is apportioned according to a policy. The basic elements of that policy are that revenue received in one year will be allocated in the next year as follows:

- 25% to faculties to support their international programs
- 5% towards student support (Scholarships and Bursaries)

- 35% to pay the costs for international recruiting and other services
- 35% to general revenue.

In the start-up phase of this program the costs for international will be greater than that provided from 35% of the tuition. As a result \$300,000 was set aside in the Strategic Initiatives Fund to provide a stable income for the growth phase. The reduction in this liability of the Strategic Initiative Fund will be based on the following schedule.

1. First, the 35% must pay for all of the International costs not in the Strategic Initiative Fund
2. Then this will be used to transfer responsibility for International costs from the Strategic Initiative fund to the Operating Fund
3. Any additional initiatives in the international area may be provided through separate requests to the Strategic Initiative Fund

Review Period: 7 years;

Date for Next Review: 2020-2021;

Related Policies and Procedures: To be determined;

Policy Superseded by this Policy: None.

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Open: Monday through Friday from 8:30am to 4:30pm;

Location: University Centre, Thunder Bay Campus, Room UC2002;

Phone: 807-346-7929 or Email: univsec@lakeheadu.ca.