



<b>POLICY:</b>	Reserves Policy
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<b>FIRST DRAFT:</b>	ET 2016#13
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<b>ADOPTED:</b>	UR 2016#04 <i>pro-tem</i> <sup>1</sup> UR 2017#01
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<b>AMENDMENTS:</b>	
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<b>REVIEW:</b>	Annually by Finance & Resource Committee
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<sup>1</sup> Subject to consultation in accordance with the Protocol for Policy Development

## **1. Introduction**

The key principles relating to this Reserves Policy are:

- a. To ensure the long term financial viability of the College;
- b. To maintain the financial capacity to meet current objectives;
- c. To ensure funds are available to meet agreed investment opportunities;

Mary Immaculate College (MIC) requires reserves to fund future developments and activities which it may not have sufficient funding or capacity to undertake currently.

The MIC Reserves Policy applies to all long term financial reserves of the College which are reflected in the Financial Statements under “Capital and Reserves” on the Balance Sheet.

MIC operates different reserve accounts as follows:

Capital Reserve

Other Reserves:

Development Reserve

Accommodation Reserve

Library Development Reserve

Academic Research Reserve

The St Patrick’s College Thurles Education Fund

## **2. Purpose of Different Reserves (Accounting Policy)**

### **Capital Reserve**

This reserve reflects the value in the Fixed Assets of the College and any movements thereon.

Capital Expenditure, which is financed from the core grant, is charged against income in the year in which the expenditure is incurred. The net movement in fixed assets is credited to the Capital Reserve. The Capital Reserve balance therefore represents the unamortised value, including revaluations, of income used for capital purposes.

### **Other Reserves:**

#### **Development Reserve**

The purpose of the Development Reserve is to provide funding for the future Capital and Strategic development of the College. Surplus funds arising from non-core

activities, including a provision for funding deducted from specific projected activities, are credited to the Development Reserve.

#### **Accommodation Reserve**

The purpose of the Accommodation reserve is to provide funding for the refurbishment of existing College student residences and for the purchase of additional student residential accommodation.

The surpluses generated from the rental of College student residences are transferred to the Accommodation Development Reserve.

#### **Library Development Reserve**

The purpose of the Library Development Reserve is to provide funding towards the future construction of a new library building. Surplus funds arising from Non-Core Courses are transferred to the Library Development Reserve.

#### **Academic / Research Reserve**

The purpose of the Academic / Research Reserve is to provide funding towards the future development of new and other courses. Surplus funds arising from Self-Funding programmes, Non-Core Courses and other programmes without contractual obligations are transferred to the Academic / Research Reserve as they arise.

#### **The St. Patrick's College Thurles Education Fund**

The purpose of The St. Patrick's College Thurles Education Fund is to reflect the terms of the "Business Transfer Agreement" between Mary Immaculate College and St. Patrick's College, Thurles signed on 22<sup>nd</sup> July 2016. This reserve is to reflect the level of investments as transferred under this agreement. It is to be separately accounted for under the terms of this BTA and used for the development of the former St. Patrick's College site or projects linked to the provision of educational services at this location.

### **3. Reserve Funding**

There is no minimum reserve level policy in operation.

Each reserve is to be funded as follows:

**Capital Reserve:** financed from the Core Grant allocated to the College annually and Development Reserve.

**Other Reserves:**

**Development Reserve:** financed by surplus' generated within the College from non-core activity. Non-core activity includes, but is not limited to: Car Parking charges, Bank Interest on deposits, Library fines, Concession charges, Conference and Room rental fees, a particular Top Slice applied to Postgraduate/ Non-Core Courses.

**Accommodation Reserve:** financed by the surplus generated on the provision of student accommodation.

**Library Development Reserve:** financed by an allocation from the income (a particular Top Slice) generated on Non-Core courses.

**Academic Research Reserve:** financed by the surplus generated by Self-Funding projects, Conferences and other events held on campus, book and CD sales, other Departmental work.

**The St Patrick's College Thurles Education Fund:** financed by the investments transferred under the Business Transfer Agreement of 22<sup>nd</sup> July 2016.

A review takes place annually at accounts preparation time in Finance Office, to review accounts that may feed into a reserve and the level of corresponding transfer.

#### **4. Review and Approval**

The levels of reserves are reviewed annually by the College Finance and Resource Committee in conjunction with the annual budgeting process of the College. Specific reserves are reviewed by the Finance and Resource Committee before approval is given for expenditures in excess of € 300,000.

Movements on reserves must be approved by the VPAF.

#### **5. Policy Review:**

This policy shall be reviewed annually by Finance and Resource Committee.