Interest Income Use
FIN-BUD-II-9

About This Policy

Effective Date:
01-01-1997

Last Updated:
09-01-2005

Responsible University Office:
University Budget Office

Responsible University Administrator:
Vice President and Chief Financial Officer

Policy Contact:
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Scope

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Policy Statement

Interest income attributable to a campus's eligible cash balances may be deposited into the capital project/land acquisition account in the University's plant funds established for that purpose or it may be used to support general fund expenditures. Such planned use of interest income as recommended by the campus will be reviewed and approved by the President in the context of budget construction and reported to the Board of Trustees.

The Trustees' approval of this policy recognizes that capital projects to be funded from interest income are not subject to General Assembly approval (IC20-12-5.5-2); but, other state reviews and approvals including the Commission for Higher Education, the State Budget Agency, and the Governor will be sought as required by state statute (IC 20-12-5.5-2).

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Reason For Policy

To define a framework for the recording and use of interest income in accordance with State statute. The Trustees of Indiana University may designate a fund into which earnings on investments may be deposited for use in capital projects for which State support is not available. Approval of the Indiana Commission for Higher Education is required for any project to construct a building or facility of a cost greater than $500,000 or to purchase or lease-purchase land, buildings, or facilities the principal value of which exceeds $250,000. General Assembly approval is required if any part of the cost of the project is paid by state-appropriated funds or by mandatory student fees and if the project is to construct buildings or facilities of a cost greater than $500,000 or to purchase or lease-purchase land, buildings, or facilities the principal value of which exceeds $300,000.

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History

This policy was established on January 1, 1997.