

Approval Date: October 17, 2008

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Parent Policy: [Financial Management and Practices Policy](#)

Interest Procedure – Restricted Accounts

Office of Administrative Responsibility:	Financial Services
Approver:	Vice-President (Finance and Administration)
Scope:	Compliance with this university policy/procedure extends to all funds received by the University of Alberta from granting agencies.

Contact for questions about this procedure:	policy.treasury@ualberta.ca
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Overview

The University of Alberta seeks to ensure that funds received from granting agencies are effectively and efficiently invested and managed in a manner that complies with sponsor terms and conditions. In most cases the University does not pay interest on **restricted** accounts and will do so only under exceptional circumstances.

Purpose

To state:

- The criteria for interest to be paid on restricted accounts;
- The process by which a request can be made to have interest paid to a restricted account;
- How interest will be calculated and paid.

PROCEDURE

1. CRITERIA FOR INTEREST BEING PAID ON RESTRICTED ACCOUNTS

Interest will normally be paid on accounts that are governed by a contractual agreement, where funding is provided in advance of expenditures and where the University has contractually agreed to use interest earned exclusively for the project.

2. PROCESS FOR RECEIVING INTEREST FOR A RESTRICTED ACCOUNT

When interest is to be paid on restricted accounts because of a contractual arrangement with a funding agency, the Research Services Office (RSO) will forward a copy of the related contract and information to Financial Services. Financial Services will review the contract for eligibility and include it in future interest processing.

3. INTEREST RATE

The interest rate used will be the monthly average of the daily published yield (Bank of Canada, series V39063) on one month Government of Canada Treasury Bills.

Interest will be allocated to eligible accounts monthly, one month in arrears. The above rate will be applied to the month-end balance of each account, adjusted for receivables.

Accounts with over-expended balances (after adjustments) will be charged interest at the same calculated rate.

If the interest rate is calculated to be negative, negative rates will be applied.

DEFINITIONS

Any definitions listed in the following table apply to this document only with no implied or intended institution-wide use. [[▲Top](#)]

Restricted	Contributions to special purpose or research accounts subject to externally imposed stipulations that specify the purpose for which the contribution is to be used.
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FORMS

There are no forms for this Procedure. [[▲Top](#)]

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[Post-Secondary Learning Act](#) (Government of Alberta)