3354: 1-20-12 Unrestricted Fund Reserve Policy

(A)   Unrestricted Fund Reserve

The Unrestricted Fund Reserve is maintained to provide stability and flexibility to respond to unexpected adversity and/or opportunities. In establishing the level of unrestricted fund balance, the College should consider a variety of factors, including:

1. Predictability of its revenues and the volatility of its expenditures;
2. Perceived exposure to significant one-time outlays;
3. Availability of resources from other funds and potential needs upon general fund resources from other funds;
4. The potential impact on the entity's bond ratings and the corresponding increased cost of borrowed funds;

The College shall maintain an unrestricted budgetary fund balance of no less than two months of regular general fund operating expenditures, plus amounts that are sufficient to provide stability and flexibility to address various factors as outlined above. The College will measure its compliance with this policy as of June 30th each year, as soon as practical after final year-end account information becomes available.

 (B)   Use of Unrestricted Fund Reserve

It is the intent of the College to limit use of Unrestricted Fund Reserves to address unanticipated, non-recurring needs that cannot be funded from other available sources. Subject to compliance with other College policies, the Treasurer should take all steps necessary to authorize the use of reserves.

(C)   Replenishment of Unrestricted Fund Reserve

In instances where the Unrestricted Fund Reserve balance falls below the established threshold, the College shall seek to replenish the reserve through year-end surpluses or other means.

(D)   Implementation

The President or the President's designee is hereby directed to take all steps necessary and appropriate for the effective implementation of this policy.

Effective date: March 30, 2017

Effective: 03/26/2017

CERTIFIED ELECTRONICALLY

Certification

05/16/2017

Date

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