

Title: Fund Balance

- Initial Action: 11/14/18
- Board Resolution: 17-069, 23-012
- Last Revised
 - Policy: 12/7/2022
 - Procedure:
- Last Reviewed: 12/7/2022
- Effective: 02/21/2019
- Next Review: 12/7/2025
- Responsibility: Finance

Policy:

It is the policy of the College to maintain an adequate level of fund balance in order to mitigate the impact of unexpected changes in financial condition on the operations of the College, and provide sufficient liquidity and cash flow required for daily operations and to provide stability in emergency situations.

Procedure:

1. Annually, as part of the year-end financial closing, the Vice-President of Finance or designee, with the consent of the President of the College, will provide the recommended fund categories and amounts to the Board of Trustees.
2. The Board of Trustees will authorize and adopt all fund categories and amounts.
3. Fund balance is to be used for non-recurring expenditures only, unless otherwise approved.
4. All Increases, decreases or transfers between categories must be approved by the Board of Trustees.

Funding Source:

Fund Balances are derived from fiscal year end surpluses of the operating fund (1 fund).

Categories:

1. Unassigned Fund Balance: To be used at the discretion of the President. A maximum of 10% of the fund balance may be unassigned (excluding Settlements and Encumbrances).
2. Restricted Fund Balance: These are funds reserved for a specific uses and must be approved by the Board to release or reallocate. Within the restricted fund balance category there are multiple specific categories:
 - a. Capital and Programs
 - b. Tuition /Budget Stabilization
 - c. Self-Insurance
 - d. Campus Safety
 - e. Physical Plant/Grounds
3. Restricted Fund Balance (Settlement): These are funds generated as the result of negotiated settlements and are reserved for a specific purpose. While included in the overall fund balance, these funds are excluded from the reserve-to-operating budget ratio.
 - a. Physical Education Building
 - b. Engineering & Math Building
 - c. Any future settlement

4. Encumbrances: excluded from this policy.

Emergencies:

In the event of an emergency financially impacting the College the Board of Trustees may authorize transfers between categories to provide access to funds.