



BOARD POLICIES

<b>DIVISION</b>	<b>REFERENCE NO.</b>
VIII. Business Services	8.17
<b>CATEGORY</b>	<b>DATE</b>
8.17 Fund Balance	Adopted: 3/09

FUND BALANCE

Purpose

This policy describes the guidelines for unreserved fund balances in the college’s operating (general) fund.

Goal

Fund balance is the balance of a fund after all liabilities have been deducted from the assets of the fund. Unreserved fund balances will be unallocated cash at the completion of each fiscal year. The goal is to establish and maintain a general fund balance of twenty five percent.

Utilization

The proposed recommended use of the unreserved general fund balance is for projects in the Capital Improvement Program (CIP) or other unanticipated one-time expenditures that do not result in recurring operating costs. Expenditures from the unreserved fund balance must be approved by the Board of Trustees.

Replenishment of Reserve Deficits

Once the goal of twenty five percent has been reached, in the event the balance falls below fifteen percent, the Vice President of Administrative Services will implement and submit to the Board of Trustees, in conjunction with the proposed budget, a plan for corrective action to restore the fund balance to its goal of twenty five percent.

Annual Review

Compliance of this policy will be reviewed by the Vice President of Administrative Services during the budget adoption process.

The Board of Trustees will receive a report of year end reserves in the general fund as part of the year end financial report.