



POLICY 7524

BOARD OF TRUSTEES RESERVE ACCOUNT

POLICY

The Board of Trustees of Shoreline Community College will establish and maintain a reserve of 5-8% of its operating, grants and contracts funds, excluding trusts and capitol funds. This reserve account will ensure sufficient funds are available for working capital in an emergency. The College President will begin each year with a minimum of \$200,000 in a contingency account to cover unanticipated expenses during that fiscal period.

Reviewed by:
President's Leadership Team.....06/20/05
Reviewed by:
College Council.....06/21/05
Approved by:
Board of Trustees.....06/22/05

The Board of Trustees hereby approves Policy 7524.

Done in Open Meeting by the Board this 22 day of June, 2005.

Board of Trustees

Shoreline Community College

By: Elsa L. Welton
Chair of the Board

BOARD OF TRUSTEES RESERVE ACCOUNT

PROCEDURAL GUIDELINES

1. The Reserve Account will be fully funded by 2012.
2. The Reserve Account balance will be reviewed with the Board of Trustees by the Executive Vice President of Administrative Services, quarterly.
3. All expenditures from the Reserve Account must be approved by the Board of Trustees and signed by the chair or a designated Board member.
4. The Reserve Account will not be used for on-going operations or equipment and will be maintained for emergency uses only. An emergency will be determined by the Board of Trustees and the College President.
5. The President will use the contingency fund for unanticipated needs during any fiscal period.
6. The budgeted President's contingency amount will be reviewed and adjusted by the Board of Trustees on an annual basis.
7. Balances unspent in the contingency at the end of any fiscal period will become part of the reserve.
8. Funds for the Reserve Account will come from a 5% overhead fee on self-support accounts, revenue generating programs, and grants and contracts, where allowed by law. The overhead fee will be 15%, with 10% remaining with the operating fund.

Reviewed by:
President's Leadership Team 06/20/05
Reviewed by:
College Council.06/21/05