



CENTRAL OREGON  
community college

CENTRAL OREGON  
COMMUNITY COLLEGE  
Board of Directors' Work Session – AGENDA  
Wednesday, January 10, 2024 – 4:00 PM  
Zoom

TIME**	ITEM	ENC.*	ACTION	PRESENTER
4:00 p.m.	I. Call to Order			Krenowicz
	II. Reserve Policy			LaLonde
	III. Adjourn			Krenowicz

\* Material to be distributed via e-mail & USPS (as necessary)

\*\* Times listed on the agenda are approximate to assist the Chair of the Board.

\*\*\* Confirmation of Consent Agenda items submitted by the President. Any item may be moved from the Consent Agenda to Old/New Business by a Board Member asking the Chair to consider the item separately.

P - indicates a Presentation will be provided.

A - indicates the presenter is Available for background information if requested.

## **General Fund Reserve Policy**

### **Establishing and Managing General Fund Unrestricted Fund Balances**

The General Fund's unrestricted fund balance, often referred to as a reserve, plays a pivotal role in ensuring the consistent provision of services, addressing emergencies, acting as a safeguard against enrollment fluctuations, buffering against uncertainties in State funding, mitigating temporary revenue shortfalls, and maintaining stability during economic cycles. We aim to strategically manage these reserve funds to guarantee robust cash flow, stabilize interest rates, and ensure the seamless continuity of service delivery.

### **Defining "Unrestricted Fund Balance"**

For the purposes of this policy, "unrestricted fund balance" specifically refers to the portion of the General Fund balance that remains unreserved, meaning it is not earmarked for existing college obligations.

### **Aspirational Reserve Levels**

Central Oregon Community College endeavors to maintain an unrestricted fund balance within the range of 29% to 45% of general fund expenditures. This commitment is driven by our dedication to institutional stability and the long-term financial health of the College. In the event that the unrestricted fund balance of the General Fund falls below 29%, the College will promptly adopt a comprehensive plan to restore it to the 29% threshold within a two-year timeframe. In cases where the unrestricted fund balance exceeds 45% of annual general fund expenditures, the excess will be transferred to the Capital Fund for future capital projects including deferred maintenance, equipment replacement and new construction.

### **Funding of the Unrestricted Fund Balance**

The funding of the General Fund's unrestricted fund balance will primarily stem from the surplus of revenues over expenditures.

### **Decision-Making Authority**

The Board of Directors is vested with the authority to make decisions regarding the utilization of the General Fund's unrestricted fund balance. These decisions will be made in consultation with the President and the appropriate personnel within the Office of Finance and Operations. Potential utilization avenues encompass capital equipment acquisitions, matching funds, capital construction initiatives, deferred maintenance, investments in new programs or services that will transition to recurring funding sources following a defined trial period, and projects aligned with the College's strategic direction. It is important to note that the General Fund's unrestricted fund balance shall not be allocated to support regular or annual operating expenditures.

### **Monitoring and Oversight**

The Vice President of Finance and Operations, or their designated representative, will assume responsibility for the management and vigilant monitoring of the General Fund's unrestricted fund balance. Regular reports will be provided to the Board and Finance and Budget Committee, detailing the current status and projected trajectory of the unrestricted fund balance during each budgeting cycle.

DRAFT