



FUND BALANCE POLICY

Policy Number: 3.1004

Subject Area: Business Services and Finances

Adopted: 06/22/2020

Revised: 06/22/2020

Maintaining an adequate unrestricted operating fund balance is necessary to ensure the financial stability of the College. The College's operating fund includes education, operations, and maintenance expenses. The operating fund also provides monies for funding shortfalls in other funds. College Auxiliary Operations are not self-supporting and require an annual transfer from the operating fund. Auxiliary Operations include the Children's Learning Center, cafeteria, bookstore, athletics, and other functions.

Kaskaskia College seeks to maintain an end-of-fiscal year unrestricted fund balance in the operating fund equal to or greater than 35 percent of annual budgeted operating fund expenditures.

If the unrestricted fund balance at end-of-fiscal year or on the date of the adoption of this policy is below the 35 percent threshold, the Vice President of Administrative Services will recommend to the College President a plan to achieve the desired fund balance level. The President will submit a final plan to achieve the desired fund balance level to the Board of Trustees for approval. The duration of a plan will not exceed three years.

If the unrestricted fund balance should exceed 50 percent of the budgeted operating fund expenditures, the Vice President of Administrative Services will provide a recommendation to the President detailing how the excess funds should be used. The President will submit a final plan to achieve the desired fund balance level to the Board of Trustees for approval.

The Vice President of Administrative Services will review the Fund Balance Policy every three years, at minimum, for changes or modifications. This review will take into consideration factors such as predictability of revenue, volatility of expenditures, availability of other resources, liquidity, and existing or potential assignments of the fund balances. Changes or revisions will be submitted to the College President and the Board of Trustees for approval.

Approval History: Replaces Fund Balance 6.14 Approved June 22, 2020