

ITEMS FOR CONSENT AGENDA

January 14, 2020

ACTION: **First and Final Round Approval of Revisions to Board Policy 6005; Establishing and Use of Reserves (FFA)**

The revision to Board Policy removes a temporary clause in the policy regarding Chadron State's reserve funds. The College met the requirement at the end of FY 2018-19, therefore the clause is being removed.

The System Office recommends approval of the Revisions to Board Policy 6005; Establishing and Use of Reserves (FFA).

ATTACHMENTS:

- Revisions to Board Policy 6005 (PDF)

FISCAL OPERATIONS, NEBRASKA STATE COLLEGE SYSTEM

POLICY: 6005

Establishing and Use of Reserves

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BOARD POLICY

In any one fiscal year, there may be unexpected circumstances whereby current appropriations are insufficient to cover expenditures of an emergency or unpredictable nature. There may also occur extraordinary and unforeseen fluctuations of inflationary costs that would require the colleges to draw upon contingent funds in order to adequately meet their current obligations. In addition, there may be instances where revenues fall short of planned or anticipated revenues.

Beginning in 2019-20, the colleges are required to build a reserve fund into their succeeding annual operating budget that is no less than eight percent (8%) of their current year's general and cash fund appropriations and to use those reserve funds when needed to address operating budget deficiencies. ~~For 2018-19, Chadron State College is required to build a reserve fund into their annual operating budget that is no less than seven percent (7%) of their current year's general and cash fund appropriations, moving to the full eight percent (8%) reserve beginning in 2019-20.~~ If any circumstance causes a college to reduce reserve funds from the previous year's reserve, the college shall consult with the Chancellor in advance. Approval must be requested from the Chancellor before initiating any action that would cause the reserve to drop below the eight percent (8%) minimum reserve.

Policy Adopted: 3/11/94
Policy Revised: 8/29/97
Policy Revised: 9/15/06
Policy Revised: 6/6/08
Policy Revised: 11/16/18
Policy Revised: