

## RVC Board Policy 5:10.160

### Operating 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. The goal is to establish and maintain an operating fund (education fund and operations and maintenance fund) balance of thirty-five to fifty percent of the following year's budgeted expenses.

#### **Utilization**

Expenditures or transfers to other funds from the unreserved operating fund balance must be approved by the Board of Trustees.

#### **Replenishment of Reserve Deficits**

In the event the balance falls below thirty-five percent, the vice president of finance/chief financial officer or designee, 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 thirty-five percent.

#### **Annual Review**

Compliance of this policy will be reviewed by the vice president of finance/chief financial officer or designee 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.

**Reference:** Board Report 7764

**Implemented:** October 27, 2020