

POLICIES AND PROCEDURES

Subject: Financial Stability Policy Reference: D-VIII

Source: Board of Trustees Eff. Date: April 30, 2002

Approval Auth: Board of Trustees Approved: _____

Remarks: _____

Date: April 30, 2002

Financial stability is the cornerstone upon which each fiscal year's budget is developed and adopted. Financial stability enables the College to manage revenue shortfalls and cash flows to ensure continued operations and to provide for unforeseen contingencies without impairing the level or quality of service needed to respond to our constituents.

To ensure financial stability, McLennan Community College will set the goal of maintaining an unallocated fund balance in the current funds unrestricted (general fund and auxiliary fund) that is at least 10% of the succeeding year's revenues for the current funds unrestricted. This goal will be evaluated with completion of each annual audit.