

POLICIES AND PROCEDURES

Subject: Financial Stability Policy Reference: D-VIII

Source: Board of Trustees Eff. Date: November 24, 2015

Approval Auth: Board of Trustees Approved: _____

Remarks: Replaced previous policy dated August 31, 2010.

Date: November 24, 2015

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 unrestricted net asset balance, adjusted for non-cash items such as employee compensable absences and unfunded state retirement system accruals, of at least 10% of the succeeding year's unrestricted revenues. This goal will be evaluated with completion of each annual audit.