

Reserve Unencumbered Fund Balance

To protect the financial stability and integrity of Neosho County Community College and to provide sufficient liquidity required for daily operations, the board of trustees shall include in each annual operating budget a reserved unencumbered fund balance in the unrestricted general funds of \$1,000,000 for each fiscal budget year, subject to annual adjustment limitations.

Annual Adjustments/Funding

If the minimum reserve fund balance at the end of any fiscal year is less than \$1,000,000, the president will recommend the board transfer, at a minimum, amounts to the fund necessary to increase the fund balance to \$1,000,000 or \$50,000 whichever is less. If the shortfall is more than \$50,000 the president shall notify the board which may, subject to fiscal limitations, authorize transfer of additional amounts it deems prudent to increase the fund balance to \$1,000,000.

Any use or appropriation of this fund balance shall require advance approval of the Neosho County Community College Board of Trustees.

Adopted: 7/19/03

Revised: 1/13/11