
TITLE: Revenue and Budget Policy
NUMBER: 220 (formerly 2103)
APPROVED BY THE BOARD OF TRUSTEES: 3/09/09 (new numbering); 4/11/07

REVENUE AND BUDGET POLICY

- I. Determining Available College Resources -- The College will annually project its revenues from its various sources using conservative estimates. Any and all local funds shall be approved by the Board of Trustees or their designee prior to expenditures.
- II. Financial Reserves -- The College will maintain sufficient financial reserves at all times to:
 - A. **Local Funds Balance**
Maintain a balance in all local fund accounts sufficient to balance each fund category at the end of each fiscal year as required by State of Washington accounting/auditing rules.
 - B. **Contingency Reserve**
Maintain sufficient uncommitted allotted and local funds to meet the occasional reduction in revenue (at least equal to the largest reduction during the preceding ten years, or 10% of the current operating budget, whichever is greater) which may occur from time to time.
 - C. **Reporting to Board of Trustees**
The Board will receive reports, at least monthly, which display sufficient financial information to enable them to monitor the financial status of the College.
 - D. **Regular Debt**
The College will generally attempt to avoid purchases which require repayment over more than a biennium. There may be occasions, however, when acquisitions such as land purchases, facilities or equipment repair or replacement with an expected life at least twice the time of repayment period may warrant exceptions. Such exceptions must meet all state purchasing requirements and have the prior approval of the College Board.
 - E. **Capital Debt**
All capital debt with repayment obligations longer than one biennium shall have the prior approval of the Board of Trustees. The Board shall consider revenue expectations and annual purchase costs projected over the life of the purchase and maintain balances sufficient for the approved purchases and Board required financial contingencies.