

General Fund Balance Requirements, Contingencies and Reserves

Component		Comments
Administratively Restricted Components:		
ICP Fund Balances	1,100,000	These balances come from student fees for use by departments for instructional supplies and equipment.
OPE Fund Balance	1,200,000	Early retirement savings/over collection in FY14. Required to remain in OPE fund and will be used to support 1% decrease in full time rate in FY15.
Unappropriated Ending Fund Balance	<u>2,900,000</u>	Minimum 3% of General Fund budget required per Board Policy E.020.
Total Administratively Restricted General Fund Balance	5,200,000	
Contingencies and Reserves:		
<i>Contingencies and reserves are included in financial projections only to the extent that they are expected to be expended. Of the following list, the only item available to support balancing to the \$12.6M projected deficit is capital outlay reserves.</i>		
Administrative Contingency	700,000	Used for unanticipated items such as Building 4 IEQ and dental clinic relocation.
Board Contingency	350,000	Board budget authority.
Reserves for Special Projects	140,350	Budget authority for special projects.
Capital Outlay Reserves	700,000	Capital outlay allocations will be withheld as part of FY15 non-recurring balancing options.
Reserve for Restricted Carryover	750,000	Budget authority carried over from prior year for items that did not get completely expensed in the prior year.
Salary Provision	<u>300,000</u>	Budget authority for unanticipated personnel costs related to contract settlements and other items. Usually budgeted between \$300,000 and \$500,000
Total Contingencies and Reserves	2,940,350	

Fund Balance Policies

E.020 UNAPPROPRIATED ENDING FUND BALANCE

The president shall assure budgeting that maintains the estimate of unappropriated ending fund balance at no less than three percent of the general fund operational expenditure budget.

ADOPTED: January 14, 2004
REVIEWED: December 6, 2006
REVIEWED: September 15, 2009

E.030 ENDING FUND BALANCE

Lane Community College shall maintain an unrestricted General Fund Ending Fund Balance equal to or greater than 5% of total budgeted expenditures. The Ending Fund Balance target shall include the Unappropriated Ending Fund Balance (UEFB) as set by board policy E.020. When the Ending Fund Balance falls to 4% or less, the college shall adopt a plan to replenish the Ending Fund Balance to 5% within two years. When the Ending Fund Balance exceeds 6%, balances in excess may be set aside for reserves or investment in one time expenditures.

If the total Ending Fund Balance (including restricted) falls to levels that require short-term borrowing, the levels set by this policy shall be automatically reviewed and adjusted as necessary.

ADOPTED: January 14, 2004
REVIEWED: February 14, 2007
REVIEWED: October 19, 2009