

POLICY: 1040
TITLE: Operating Reserves Policy

HIGHLINE COMMUNITY COLLEGE, DISTRICT 9
RESOLUTION 92-2010
(Pertaining to Operating Reserves Policy)

WHEREAS, the Board of Trustees operating reserve policy requires that the College retain an amount equal to 10 percent of the total annual operating budget in an operating reserve; and

WHEREAS, the Board of Trustees desires to specify the uses of operating reserves; and

WHEREAS, the president recommends the allocation of operating reserve funds to several accounts that address risks for which funds may be unexpectedly required;

NOW, THEREFORE, be it resolved as follows:

Section 1. The operating reserve policy requiring an amount equal to 10 percent of the total annual operating budget is affirmed.

Section 2. The operating reserve is comprised of the following accounts and the monies therein are restricted to the following uses:

- a. Program Continuity Reserve to be used for planned closures of one or more programs due to reduced or discontinued funding by government or other funding organizations.
- b. Annual Unique Expenditures Reserve to be used for projects or identified expenses that are required for one fiscal year only.
- c. Disaster Recovery Reserve to be used for expenses incurred for the restoration of College operations resulting from a disaster, natural or manmade.
- d. Litigation Reserve to be used for legal fees, settlements, and other costs incurred as a consequence of litigation and claims not covered by the State Agency Self Insurance Liability Program.
- e. State Budget Reduction Reserve to be used to offset any operating budget reductions resulting from reductions in state operating fund allocations.

Section 3. The president shall recommend the amounts to be allocated to each operating reserve account as a part of the annual operating budget.

Section 4. Expenditures from the operating reserve accounts shall require the prior authorization of the Board of Trustees; provided that the president may draw upon such funds in an emergency or when it is impractical to convene the Board of Trustees. In the event the president must make emergency withdrawals, the president shall provide a report explaining the reasons for the withdrawals and the amounts thereof to the Board of Trustees for ratification at its next meeting.

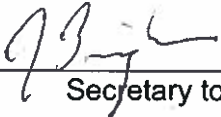
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PASSED BY THE BOARD OF TRUSTEES this 23rd day of September, 2010.



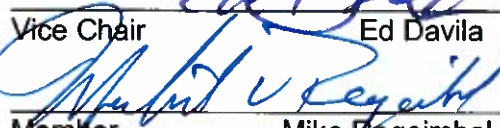

COMMUNITY COLLEGE DISTRICT 9
State of Washington

Certification:

I, Jack Bermingham, Secretary to the Board of Trustees of Community College District 9 State of Washington, do hereby certify that the above is a true and accurate copy of Resolution No. 92-2010 for the use and purpose intended.



Secretary to the Board

Chair		Dan Altmayer
Vice Chair		Ed Davila
Member		Mike Regeimbal
Member		Barbara Reid