



FCC BOARD OF TRUSTEES POLICY

Policy Type: Executive Limitations

Policy Title: Financial Conditions and Activities

Policy Number: EL-4

Date Adopted: 10.18.2023

Version: 1.0

Date Last Reviewed: 10.18.2023

Responsible Party: President's Office

Reviewing Committee: Board of Trustees

With respect to the actual, ongoing financial conditions and activities, the President shall not cause, or allow, the development of fiscal jeopardy, or actual expenditures, that are not aligned with achievement of the Board's Ends.

Accordingly, the President shall not:

1. Expend more funds than have been approved by the Board in the fiscal year unless there has been Board approval to do otherwise.
2. Incur debt in an amount greater than can be repaid by certain, otherwise unencumbered revenues within the current fiscal year or that can be repaid to accounts previously established by the Board for that purpose.
3. Jeopardize fiscal integrity by expending College funds in a manner that will result in a negative fund balance at the close of the fiscal year unless approved by the Board.
4. Use funds from restricted or designated accounts for purposes other than that for which the account was established.
5. Allow the College's cash position in any month to be less than is needed to satisfy obligations in that month.
 - 5.1. Allow a combined operating fund balance reserve to be less than the Government Finance Officers Association recommended minimum of 16.6% (two months) of annual operating expenses.
6. Allow the untimely payment of payroll and debts.

7. Allow tax payments or other government-ordered payments or filings to be overdue.
8. Purchase, lease, condemn, or otherwise acquire any real property without Board approval.
9. Write off receivables without having first pursued payment after a reasonable grace period.
10. Fail to provide to the Board, at their designated frequency, reports on the College's current financial condition that will continually enhance the Board's ability to meet its fiduciary responsibility.
11. Fail to present to the Board of Trustees an annual budget for its review and approval, and which adheres to intergovernmental submission timelines.
12. Fail to meet requirements for annual financial audits, or to respond in a timely manner to any findings from financial or operational audits, reviews, or assessments.
13. Fail to recommend on an annual basis, as appropriate, other Strategic Reserves at levels approved by the Board. Strategic Reserves are over and above the operating fund balance reserve (16.6% of operating expenses). Strategic Reserves are for one-time expenses or projects, and provide for such items as:
 - a. Emergencies - Reserve to provide for unforeseen natural or manmade disasters to support business continuity and recovery actions.
 - b. Student Success and Completion Initiatives - Investments to enhance the student experience and remove obstacles to student success and completion.
 - c. Academic Program Initiatives - Investments to provide start-up funding for innovative new programs which serve the College's educational mission.
 - d. Talent Cultivation - Investments to provide professional development opportunities and to promote continuous learning among faculty and staff.
 - e. Unplanned Capital Repair & Replacement - Reserve to cover critical system or component failure that might occur outside of the annual capital improvement budget approval cycle.
 - f. Technology Projects - Reserve to provide for technology upgrades or system replacements not covered by other funding sources.
 - g. Strategic Planning and Future-Proofing – Future-oriented investments to strengthen the College's value, relevance, responsiveness and adaptability to emerging trends and protect the long-term viability of the institution.

Date Of Change	Version	Description of Change	Responsible Party
10/18/2023	1.0	First release following Policy Governance consulting work.	President