

GCCC Policy Add Template

Category: Operations

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Policy Title: [Cash Reserves Policy](#)

Policy Statement: The objective of the reserve policy is to provide adequate resources for cash flow and contingency purposes while maintaining reasonable tax rates.

Procedures:

General and Vocational Funds

The College will maintain a base unallocated fund balance at the beginning of each fiscal year of 20 percent of general and post-secondary technical education (PTE) operating fund budgets to be used for cash flow purposes, unanticipated expenditures of non-recurring nature, or to meet unexpected increases in service delivery costs. The funds will be used to avoid cash flow interruptions, generate interest income, and avoid the need for short-term borrowing.

Capital Outlay Fund

The Capital Outlay Fund will maintain a base unallocated fund balance at the beginning of each fiscal year of \$250,000.

Any change in either base listed above must be approved by the Board of Trustees.

To the extent that unusual contingencies exist as a result of state or federal aid uncertainties, or other unknowns, a balance larger than these base amounts may be maintained.

Contacts: Chief Financial Officer, Comptroller

Approved Date: 3/1/2018

Policy History: [Click here to enter text.](#)

Keywords: cash, reserves, funds, capital outlay

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