

McLennan Community College

POLICIES AND PROCEDURES

Reference:	D-VIII	Effective Date	08/31/2010
Subject:	Financial Stability Policy		
Source:	Board of Trustees		
Approval Authority:	Board of Trustees	Approval Date	08/31/2010
History:	Previously effective 08/31/2010, replaced policy dated 11/24/2015		
Remarks:	Policy updated to new format.		

Financial stability is the cornerstone upon which each fiscal year's budget is developed and adopted. Financial stability enables the College to manage revenue shortfalls and cash flows to ensure continued operations and to provide for unforeseen contingencies without impairing the level or quality of service needed to respond to our constituents.

To ensure financial stability, McLennan Community College will set the goal of maintaining an unrestricted net asset balance, adjusted for non-cash items such as employee compensable absences and unfunded state retirement system accruals, of at least 10% of the succeeding year's unrestricted revenues. This goal will be evaluated with completion of each annual audit.