

POLICY TYPE: EXECUTIVE LIMITATIONS

POLICY TITLE: FINANCIAL CONDITION

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The President may not cause or allow the development of fiscal jeopardy or a material deviation from the board-approved budget.

It is a material deviation to:

1. Expend more funds than have been received, to include accounts receivable funds, in the fiscal year without prior board approval.
2. Indebt the organization in an amount greater than can be repaid by otherwise unencumbered revenues within the current fiscal year or can be repaid from accounts previously established by the board for that purpose.
3. Expend funds from restricted or designated accounts except for the purposes for which the account was established without prior board approval.
4. Make any purchase or commit the organization to any expenditure that deviates from approved budget by fund and function without board approval.
5. Make any purchase: (a) without prudent protection against conflict of interest; (b) over \$10,000 without having obtained at least three competitive quotes, if available; (c) over \$25,000 without going through the sealed bid process, submitted on prepared specifications; and (d) that is outside the established purchasing policy (D-550).
6. Accept gifts or grants without board approval or which are not in the best interest of the College to accept, which obligate the College to make future expenditures of funds or human resources other than those created by the gift or grant.
7. Fail to maintain adequate reserves sufficient to provide for sufficient cash flow to eliminate the need for short term borrowing without board approval. The unrestricted fund balance should not exceed the uncollected property taxes at year-end plus 10 percent of next year's operating budget.
8. Knowingly jeopardize aid from state, federal or other funding sources before, during or after aided activity.
9. Endanger the fiscal soundness of future years or ignore the maintenance and upkeep of district facilities or organizational capability sufficient to achieve ends in future years.

IV.C.