The President shall not allow the Current Fund Reserves to drop below ten percent (10%) of the operating budgets or Plant Fund Reserves below $1 million without specific Board authorization and a realistic recovery plan.

**President’s Interpretation:**
The Current Fund is a combination of the Operating Fund (Education and General) and the Auxiliary Fund. The budgets for these funds also include contingencies reserves to address unforeseen circumstances and seasonal revenues fluctuation. If the administration needs to adjust the Current Fund Reserves for more than a three-month period, below the 10% of the operating budgets and/or the Plant Fund Reserves below $1 million, the college must seek Board approval. In the request, the administration must include in this budget adjustment request a realistic recovery plan to stabilize the reserves.

**Supporting Evidence:**

Source: Banner Finance

For the period July 1, 2014, through November 30, 2014, Current Fund reserves have exceeded the Governing Board’s designated reserve.
For the period July 1, 2014, through November 30, 2014, Plant Fund reserves have exceeded the Governing Board’s designated reserve. As of November 30, 2014, Plant Fund reserves exceed the Governing Board’s designated reserve amount by $11,153,000.

**President’s Conclusion:**

I report compliance.

Executive Limitation 2.3.2 aligns with Ends Statement No. 1 – Yavapai College exists so communities within Yavapai County are equipped with the vision and skills to create a sustainable economic environment.

To that end, maintaining adequate operating reserves provides the necessary cash flow for the District to deliver its programs and increases the District’s ability to respond to temporary adverse operating conditions such as an unforeseen decrease in operating revenues.