AGENDA

1) Policy Review – Amy Thornton
   A) A0205 Hold Harmless Policy for President
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2) New Policy - Amy Thornton
   A) B0110 Fund Balance
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The Board of the Western Technical College District Board does hereby indemnify and hold the president totally harmless for any liability, including reasonable attorney fees and costs, which he/she may incur while acting in the normal course of his/her duties and per his/her employment contract.

The foregoing resolution This indemnity shall be applicable to covered acts occurring both prior to and subsequent to the date of adoption of this policy, and the indemnification provided for herein includes reasonable attorneys' fees and costs.

Revised May 17, 2016

Revised February 8, 2005
Revised October 20, 2004
Reviewed December 15, 1992
Revised June 21, 1988
Adopted November 28, 1979
Wisconsin Statute 38.12(3)
The Western Technical College District shall maintain fund balance levels adequate to assure the future financial health of the district and provide for financial challenges outside of its ability to complete its mission. Fund balance shall be maintained and used, at the discretion of the Western Technical College District Board to maintain the ability to meet the District's financial needs.

The College will develop budgets that maintain adequate fund balance levels that meet the following criteria:

- Meet annual cash flow needs and avoid short-term borrowing,
- Provide resources for unexpected expenditures and revenue fluctuations,
- Maintain a strong bond market credit rating and positive impression of Western Technical College’s financial position and management.
- Contribute toward maintaining Western’s Composite Financial Index “Above the Zone” for accreditation purposes with the Higher Learning Commission.

The District strongly discourages the use of fund balance as a resource for balancing the operating budget and prohibits budget managers from exceeding approved appropriations that result in an unapproved reduction of fund balance.

Fund balance reservations will be calculated as of June 30 for each fiscal year. Western Technical College will maintain the following reservations and designations of its fund balance:

**Designated for Operations** – Maintain a reserve for operations in the general fund equal to 16% - 25% (60-90 days cash flow) of the adopted General Fund and Special Revenue – Operating Fund expenditure budgets for the next year.

Fund balances in excess of this goal may be applied based on the following criteria:

- to support one time expenditures or,
- to provide seed money for new instructional and support service priorities

**Designated for State Aid Fluctuations** – The Wisconsin Technical College System Board allows each college the ability to set aside part of its fund balance to cover fluctuations in future years’ budgeted state aid revenue. This amount is capped at 10% of the state aid received (classifications 4200 – 4299). Whenever possible and applicable, Western will designate funds for this purpose.

**Designated for Subsequent Years** – The Wisconsin Technical College System allows each college to set aside some of its fund balance for use in later years. This amount is capped at 15% of the state aids received. Whenever possible and applicable, Western will designate funds for this purpose.

**Designated for Subsequent Year** – Western may set aside funds to be used during the next fiscal year. After a review of the balances in the above reserves and designations, identified funds will be included in this designation as of June 30. The following year’s budget will be
modified to reappropriate these funds. Use of these funds will require Board approval and will be utilized for one-time expenditures only.

**Reserve for Encumbrances** – Western will maintain a reserve of fund balance in the General Fund, Special Revenue – Operating Fund, and Capital Projects Fund equal to the amount of outstanding purchase orders in that fund as of June 30 of that fiscal year. These funds will be utilized to cover the invoices related to the purchase order commitments.

**Reserve for Prepaid Expenditures** - Western will maintain a reserve of fund balance equal to the amount of prepaid expenditures showing as an asset as of June 30 of that fiscal year. These funds will be utilized to fund the expenditures related to prepaid expenditures.

**Reserve for Post-Employment Benefits** – Maintain a reserve of fund balance in the General Fund equal to the calculated post-employment benefit liability.

**Retained Earnings** – Maintain retained earnings in the Enterprise and Internal Service funds equal to the amount of 16% - 25% (60-90 days) of the adopted expenditure budget for the next year. Retained earnings balances in excess of 25% may be transferred if the administration determines it would be appropriate to do so.

**Reserve for Student Organizations** – Western will maintain a reserve of fund balance in the Special Revenue - Non-aidable Fund equal to the amount of revenues over expenditures for Student Life as of June 30 of that fiscal year plus any remaining balances from prior years. These funds will be used at the discretion of Student Life for activities that benefit the students.

**Reserve for Student Financial Assistance** – Western will maintain a reserve of fund balance in the Special Revenue - Non-aidable Fund equal to the amount of revenues over expenditures for financial aid transactions as of June 30 of that fiscal year plus any remaining funds from prior years. If these funds accumulate due to not spending the entire tax levy match, Western may elect to transfer levy fund balances over $25,000 to the General Fund, as it deems necessary and appropriate. In lieu of transferring the excess funds to the General Fund, Western may elect to re-appropriate these excess funds in upcoming years to reduce the amount of levy needed for the match requirement.

**Reserve for Capital Projects** – Western will maintain a reserve of fund balance in the Capital Projects Fund equal to the unspent proceeds of debt issuances plus any unspent earnings, donations, and other funds that may accumulate in this fund. These funds will be utilized for capital projects and other capital expenditures in subsequent years.

**Reserve for Debt Service** – Western will maintain a reserve of fund balance in the Debt Service Fund equal to the amount of revenues over expenditures in this fund plus any remaining balances from prior years. These funds will be used in subsequent years in order to keep a stable debt service tax levy.

Proposed April 26, 2016