

POLICY TYPE: EXECUTIVE LIMITATIONS

POLICY TITLE: FINANCIAL CONDITION

The President shall administer the Board approved budget without material deviation from Board priorities in ENDS policies, and shall protect the College from financial risk.

It is material deviation to:

1. 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.
2. Expend funds from reserves, restricted, or designated accounts, except for the purposes for which the account was established, without prior Board approval.
3. Make any purchase or expend any funds without prudent protection against conflict of interest for over \$50,000. Purchases cannot be made without seeking at least three competitive quotes or sealed bids, submitted on prepared specifications. No purchase shall be made except on the basis of quality, cost, and service. Preference shall be given to local vendors who can provide like quality products and services, and who meet bid specifications within 5%. Any purchase or expenditure of \$50,000 or more requires Board approval.
4. Accept gifts or grants which obligate the College to make future expenditures of funds or human resources other than those created by the gift or grant without Board approval.
5. Accept gifts or grants which are not in the best interest of the College.
6. Fail to maintain cash reserves for positive cash flow and contingencies equal to at least 10% of the unrestricted operating budget.
7. Knowingly jeopardize aid from state, federal, or other funding sources before, during, or after the aided activity.
8. Fail to provide a monthly report of the College's current financial condition.
9. Allow cash to drop below the amount needed to settle payroll and debts in a timely manner.

(continued on next page)

POLICY TYPE: EXECUTIVE LIMITATIONS

POLICY TITLE: FINANCIAL CONDITION (continued)

10. Allow tax payments or other government-ordered payments or filings to be overdue or inaccurately filed.

-- This policy adopted on 03-27-97
Revised on 05-14-98
Reviewed on 09-06-00 (no changes)
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