



ACADEMY POLICY MANUAL

Policy Title:	Self Supporting Trust Fund Reserve Requirements
Policy Number:	AF 03-001
Policy Administrator:	Vice President for Administration and Finance
Policy Initiator:	Associate Vice President for Administration and Finance, Stephen Mastro
Authority:	CSU Policy Statement April 7, 1983, Title 5, Sec. 42402 Edu. Code 89904; EO 847; EO 994
Effective Date:	December, 2011
Revised Date:	
Approved:	President William Eisenhardt
Approval Signature:	/s/

Purpose

This Policy establishes guidelines for CMA self supporting trust entities to establish and maintain adequate reserves. Such reserves will ensure the self supporting entity can continue to serve the campus when faced with unplanned events. The policy is designed to be in compliance with Financial Standards and Fiscal Viability Guidelines for CSU Auxiliary Organizations.

Scope

Applies to all CMA Enterprise, Auxiliary Enterprise, and student fee supported trust activities for which annual budgets are prepared and approved by the CFO and president.

Responsibilities

The budget office will monitor the designated reserves and report the status to the CFO. The CFO will review the reserve status and may make a recommendation to the president to approve or disapprove plans for expenditures that would reduce a reserve to a level below that which is required by the policy. The President has final approval.

Policy

Self supporting budgeted trust fund programs at CMA are expected to maintain reserve balances for one or more purposes. Reserves are required for: 1) working capital for current operations; 2) maintenance and renovations reserves; 3) debt service reserves; and, 4) capital development project reserves. Funds

that only require a working capital reserve shall maintain this reserve at an amount equal to 25% of the annual projected budget.

Self supporting funds that require additional reserves for other categories listed above shall budget reserves as follows:

- Working Capital Reserve equal to 10% of the annual budget.
- Maintenance and Renovations Reserve equal to 10% of the annual operating budget, or per a maintenance reserve schedule approved by the CFO. This reserve is intended to fund the periodic

Procedures

f The budget