



INSTRUCTIONALLY RELATED ACTIVITIES COMMITTEE

RESERVE POLICY

Effective Date: March 12th, 2013

PURPOSE

It is the policy of the Instructionally Related Activities (IRA) fund to provide adequate reserves for current operations, future projects, and other activities as needed. The Instructionally Related Activities Committee (IRA Committee) shall establish, review and approve the funding levels annually in accordance with the established budget process and the availability of funds. The IRA Committee reserves the right to establish additional reserves on a case-by-case basis during the budget year. The Provost or designee shall submit annually to the IRA Committee proposals for the accumulation and use of reserve funds.

BACKGROUND

The Instructionally Related Activities fee is used provide support for essential educational experiences and activities that aid and supplement the fundamental educational mission of the institution. Critical to the management of the IRA fund is effective annual financial planning. Reserves are intended to meet the potential and anticipated business and operational needs of projects and activities supported by the IRA fee.

AUTHORITY

At the direction of the CSU's Chancellor, auxiliary organizations are required to establish and maintain adequate reserve funding.

ACCOUNTABILITY

- IRA Committee
- Provost or designee
- Budget Support Staff
- University Administrators

POLICY

The IRA Committee will annually review the fiscal viability of the fund, which includes an evaluation of the need for reserves and the establishment or revision of reserves in accordance with this review. This review shall be documented in writing and presented to the IRA Committee as part of the annual budget process.

IMPLEMENTATION

In evaluating the need for reserves, the IRA Committee will consider the following areas:

Current Operations – analysis shall determine if the IRA fund will be able to cover projected expenses with projected income for the coming year.

Planned Future Projects – The IRA fund may increase its allocation of reserve funds if the committee determines that there are significant future projects that cannot be funded through the annual operating budget without causing a significant reduction in current programs or services.

Minimum balance: The IRA Committee will seek to maintain a minimum reserve balance to meet 0% of its annual budget allocation for each current year.

Maximum balance: The IRA Committee will maintain a maximum balance not to exceed 5% of annual budget allocation for operation, except in circumstances where the committee determines that there is a need to set aside funds for upcoming large projects.

Annual Contribution: So long as the reserves exceed the minimum balance, the IRA Committee will determine whether or not to allocate additional funds for its reserve (not to exceed maximum balance).

Allocation of this Reserve: See “Process” below.

FUNDING RESERVES

Funds for reserves shall be derived from student fee revenue from the Instructionally Related Activities fee.

PROCESS

The Provost or designee will submit recommendations for reserve funding and use to the IRA Committee during the annual budget process.

Upon approval from the IRA Committee, the reserves will be treated as a separate allocation within the IRA fund and carried forward at the end of each fiscal year. The IRA Committee may allocate funds designated as reserve to cover unexpected additional costs associated with previously funded projects, to respond to immediate or urgent needs within the scope of the IRA fund charge, or to fund large projects that may require multi-year commitments.

Expenditures from reserve funds not identified during the annual budget process require the IRA Committee approval prior to processing transactions.