



Board Statement on Education & General Fund Balance Standards Board of Trustees of Western Oregon University

1.0 Introduction and Purpose

Responsible fiscal management requires adequate reserves, or fund balances, to mitigate current and future risks. Adequate fund balances are essential to offsetting cyclical variations in revenues and expenditures and to protect against 1) catastrophic events, 2) unforeseen revenue declines and expenditure gaps, 3) unexpected legal obligations, and 4) failures and health/safety/code issues in infrastructure or major business systems.

2.0 Process

Western Oregon University shall develop budgets that target an ending biennial budgeted operations fund (E&G) balance of approximately 10-12 percent of annual budgeted operations revenues. E&G fund balances will be monitored as part of the quarterly projections included in the Managerial Reports provided to the Board, and the Vice President for Finance and Administration & CFO (VPFA) shall advise the Board in the event projected or actual ending balances for the biennium either fall below 5 percent or rise above 15 percent of revenues. Included in the information provided by the VPFA will be an explanation for the variance and a plan to rebalance the budgeted operations fund balance over time to approximately 10-12 percent of annual budgeted operations revenues.

3.0 Document History

- (1) FAC Recommendation, June 3, 2019
- (2) Board Approval, June 12, 2019