



### Board Policy 5.10 General Fund Reserves and Year-End Balances

#### Part 1. Authority

Pursuant to Minnesota Statute 136F.06, subd. 1, the Board of Trustees possesses all powers necessary to govern the colleges and universities and all related property. Those powers include adopting suitable policies for the institutions it governs. Board Policy 7.1 Finance and Administrative Authority of Board, Chancellor and Presidents, delegates authority to the chancellor to develop procedures and guidelines which implement the board's policies for the administrative and financial management Minnesota State Colleges and Universities.

#### Part 2. Overview

It is the policy of the board that Minnesota State shall maintain an appropriate portion of year-end general fund balances designated as a reserve for which no use is presently planned.

#### Part 3. Accountability / Responsibilities

The system office is responsible for maintaining a portion of the overall system resources as a system reserve. This system general fund reserve may not exceed two percent of the annual Minnesota State appropriation and can be used at the discretion of the chancellor.

The president at each college and university is responsible for maintaining a portion of the college or university general fund balance as a reserve. The college or university reserve must be between five and ten percent of the previous year's general fund revenues.

The five percent minimum reserve level will be held centrally in a systemwide reserve pool. The systemwide reserve pool is established to be used for loans to colleges, universities, and enterprise investments in emergencies or significant issues of an urgent nature.

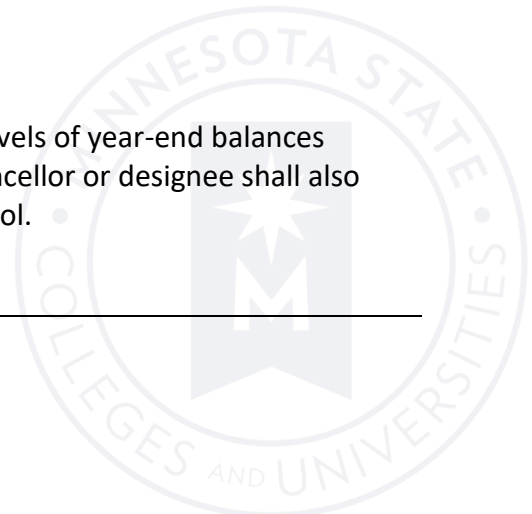
The remaining amount up to five percent of a college or university reserve will be managed locally.

#### Part 4. Reporting

The chancellor or designee shall report to the board annually the levels of year-end balances and reserves by college, university, and the system office. The chancellor or designee shall also provide an annual accounting related to the systemwide reserve pool.

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Date of Adoption: 06/21/00



Date of Implementation: 06/21/00  
Date of Last Review: 03/19/25

Date and Subject of Amendments:

3/19/25 – Full Review. Added General Fund to the policy title. Part 3 is amended to create an enterprise/system reserve pool that would co-locate the portion of college and university reserves equal to five percent of their general fund revenues and would be administered by the chancellor. Colleges and universities will maintain local control over additional reserve funds, which could range up to five percent of their general fund revenues. Added Part 4 reporting requirements. Applied new formatting and writing styles resulting in technical edits.

12/16/14 - Policy 5.10 went through a periodic review. No substantive changes were made.

Additional HISTORY.