

**BOARD OF TRUSTEES  
MINNESOTA STATE COLLEGES AND UNIVERSITIES  
*ACTION ITEM***

**SECOND  
READING**

**Amendment to Board Policy 5.10 Reserves and Year-End Balances**

**BACKGROUND**

The attached amendment to existing Board Policy 5.10 *Reserves and Year-End Balances* is in response to the 2001 legislative request for additional policy guidance by the Board of Trustees.

*“By December 1, 2002, the board of trustees must adopt policies to clarify the purposes of the central reserve and under what general conditions it will be used.”*

*Minnesota Session Laws 2001, 1st Special Session, Chapter 1-S.F.No.  
11 Art. 1; Sec. 3; Subd 5.*

Staff presented this item as a first reading at the October meeting of the Finance/ Facilities Committee of the Board of Trustees. At that time staff was directed to divide the proposed policy into a policy for the Board’s consideration and a procedure to be administered by the Chancellor.

The proposed policy has been reviewed with the student and faculty associations’ leadership and comments were sought from all college and university presidents and their campus leadership teams. No material changes were made based on the review. Also attached is a proposed procedure which incorporates much of the language in the existing policy and responds to the legislative request for additional guidance concerning the purpose and use of college/university and system reserves.

**RECOMMENDED COMMITTEE ACTION**

The Finance/Facilities Committee of the Board of Trustees recommends that the Board of Trustees approves the amendment to Board Policy 5.10 Reserves and Year-End Balances.

**RECOMMENDED MOTION:**

The Board of Trustees approves the amendment to Board Policy 5.10 Reserves and Year-End Balances.

*Date Presented to the Board of Trustees: December 18, 2002*