



## POLICIES AND PROCEDURES

### CORPORATE POLICY

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Subject: University Village Reserve Policy

Policy No.: 176

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- A. Purpose
  - B. Reserve Use
  - C. Accounting for the Reserve
  - D. Funding of Reserve
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#### A. Purpose

It is the policy of the Cal Poly Pomona Foundation (Enterprise Foundation) to establish and maintain a reserve for the development (both capital and operating) of the Enterprise Foundation's University Village including facilities renewals, replacement of equipment, infrastructure upgrades or expansion. For purposes of this policy, the University Village is located across the street from the Cal Poly Pomona University and provides a convenient and practical living environment for students.

#### B. Reserve Use

The reserve may also be used for one-time, nonrecurring expenses that will build long-term capacity reserves such as investment in infrastructure or property development. This reserve is not intended to replace a permanent loss of funds or eliminate an ongoing budget deficit.

#### C. Accounting for the Reserve

The reserve for the University Village will be established by the governing Board of Directors and administered by the Enterprise Foundation Financial Services department.

The funds will be available in cash or cash equivalents, maintained in a segregated bank account or investment fund, in accordance with the Enterprise Foundation's investment policy (Policy #131).

#### D. Funding of Reserve

The University Village Reserve will be funded from annual contributions of up to fifty percent (50%) of the net annual surplus from the University Village operations.



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Any distributions from the reserve for expenditures will require the Chief Executive Officer (CEO) and Chief Financial Officer (CFO) or designees to confirm that the use is consistent with the purpose of the reserve as per this policy. Determination of need requires analysis of the sufficiency of the current level of reserve funds, the availability of any other sources of funds before using reserves, and evaluation of the time period for which the funds will be required and replenished.

### **E. Authority to Use Reserve**

Authority for the use of the reserve is delegated to the Chief Executive Officer and/or Chief Financial Officer in consultation with the Chair of the Finance Committee. The use of reserve will be reported to the governing Board of Directors at their next scheduled meeting, accompanied by a description of the analysis and determination of the use of funds, and plans for replenishment to restore the Reserve Fund to the target minimum amount.