

SOUTH ARKANSAS COLLEGE BOARD POLICY NO. 5

POLICY TYPE: EXECUTIVE LIMITATIONS

POLICY TITLE: *FINANCIAL CONDITION AND ACTIVITIES*

With respect to the actual, ongoing financial condition and activities, the President shall not cause or allow the development of fiscal jeopardy or a material deviation of actual expenditures from Board priorities established in ENDS policies.

Further, without limiting the scope of the foregoing by this enumeration, the President shall not:

1. Expend more unrestricted funds than have been received in the fiscal year or biennium unless the debt guideline (below) is met.
2. Indebt the organization in an amount greater than can be repaid by certain otherwise unencumbered revenues within six (6) months or above \$250,000.
3. Use any uncommitted/unused State appropriated unrestricted funds from previous years.
4. Fail to settle payroll and debts in a timely manner.
5. Allow tax payments or other government ordered payments or filings to be overdue or inaccurately filed.
6. Acquire, encumber or dispose of real property. The Board has recommended that the administration establish a budget line item not to exceed \$250,000 in any year for the purpose of acquiring select area properties for expansion of the West Campus. Priority will be given to: (1) properties within a perimeter of the West Campus bounded by Cedar Street, Hardy Avenue, Hillsboro Street, and Washington Street; (2) properties contiguous to existing college properties; and (3) properties which have an assessed or appraised value of no more than \$50,000 per parcel. This plan gives the administration the authority to proceed with purchasing property (costing no more than \$50,000), assuming the funds are available.
7. Fail to aggressively pursue receivables after a reasonable grace period.

Monitoring Report due: Annual Audit (*External Report*)
 May (*Internal Report*)
 November (*Internal Report*)