PURPOSE

The purpose of this Policy is to set forth requirements governing the use and disbursement of Auxiliary Enterprise Funds.

GENERAL

The College maintains an Auxiliary Enterprise Fund as part of the Operating Budget. The Auxiliary Enterprise Fund consists of revenues received or derived by the College from enterprises that predominantly exist to furnish goods and services to students, faculty and staff for a fee or price. These enterprises directly support the College’s educational programs, activities and mission, and may include foodservice dining, café and vending related operations; the sale of textbooks, supplies and other goods at the College’s bookstores; facility usage rentals; and parking and similar services for which the user is charged a fee. Auxiliary enterprises may be operated directly by the College or by contracted service providers that pay a negotiated commission to the College based on revenues generated by the enterprise.

REQUIREMENTS GOVERNING USE OF AUXILIARY ENTERPRISE FUNDS

Auxiliary enterprises are intended to be self-supporting, and prices, fees and contracted services will be structured to ensure the recovery of all costs necessary to operate that enterprise. The use of College operating funds or other financial resources to subsidize an auxiliary enterprise will require prior approval of the President.

Excess funds generated or received from auxiliary enterprises shall be utilized to support activities that benefit students or to meet other College needs, subject to and in accordance with the following requirements:

1. Twenty-five percent (25%) of net proceeds received from the operation of the College’s bookstores, or such other amount or percentage as may be specified in Board policy or administrative procedures, will be credited to the Student Development Fund.

2. Auxiliary Enterprise Funds may be utilized to fund activities and initiatives which support or serve to promote the College’s mission and for which funding is not available in the general operating budget. Such activities include, but are not limited to, advertising initiatives; technology upgrades; social or special events; and maintenance, repair and renovation of College facilities.
3. All expenditures of Auxiliary Enterprise Funds must be approved by the President and Chief Financial Officer, and comply with all College fiscal policies and procedures applicable to the type of expenditure approved.

4. The transfer of funds from the Auxiliary Enterprise Fund to any other area or category of the Operating Budget or the Capital Expenditure Budget shall be approved in accordance with policies and procedures applicable to other budget transfers.

5. The Auxiliary Enterprise Fund shall maintain a reserve equal to at least $3.5 million. This reserve will be counted towards the fund balance reserve requirements established under Board Policy V.05, and may only be utilized in accordance with the process and procedures applicable to the utilization of fund balance provided therein.

The President is delegated authority to implement regulations and procedures to further implement this Policy.