

AGENDA ITEM _____

Recommendation for Matured Certificates of Deposit (CDs) and Capitalization of the Physical Resources Contingencies Fund (Board Policy No. 7005)

RECOMMENDED DIRECTIVE: The BOR hereby reviewed and approved the administration's recommendation to allocate approximately \$465,012.58 in matured Certificate of Deposit (CD) proceeds toward the establishment and capitalization of the Physical Resources Contingencies Fund pursuant to Board Policy No. 7005 and authorized the administration to implement the recommendation, establish a separately designated reserve account, and establish the necessary accounting and reporting mechanisms for the fund.

DISCUSSION: The administration received notification from Raymond James that two Certificates of Deposit (CDs) held under the College's investment account have matured, resulting in available cash proceeds totaling approximately \$465,012.58. The administration reviewed the available options and determined that the matured proceeds present an opportunity to implement Board Policy No. 7005, which established the Physical Resources Contingencies Fund.

Board Policy No. 7005 authorizes the establishment of a designated reserve fund to support institutional needs related to facility construction, equipment acquisition, major repairs and renovations, matching grant requirements, and disaster response and recovery. While the policy originally contemplated an initial allocation of \$500,000 from institutional fund balance, the fund has not previously been fully capitalized due to financial constraints.

The administration recommended, and the Board approved, the allocation of approximately \$465,012.58 in matured CD proceeds toward the establishment and capitalization of the Physical Resources Contingencies Fund. The Board further authorized the administration to place the funds into a separately designated reserve account, authorized the Comptroller to establish the necessary accounting and reporting structure, and authorized future consideration of additional contributions as institutional financial conditions permit.

This action strengthens the College's long-term financial resilience, supports implementation of an existing Board-approved policy, enhances preparedness for facilities emergencies and natural disasters, and promotes prudent fiscal management and stewardship of institutional resources.

ACTION TAKEN:

_____ Approved as presented
_____abstain

_____Approved w/ modifications

VOTE:

_____aye _____nay

_____Disapproved

_____Deferred to a later meeting

DATE: _____