

Reserve Funds Use Policy

Policy

It is the policy of Westfield State University (WSU) to maintain financial operations to meet the current and long-term objectives of the university. Chapter 15A(j) of the Massachusetts General Laws provides that the Westfield State University Board of Trustees (the Board) “have the authority to transfer funds within and among subsidiary accounts....”

Statement of Purpose

The primary purpose (unless otherwise identified) of the WSU Reserve Funds is to support capital improvements on or about the university. Capital expenditures from the Reserve Funds are subject to the requirements and limitations set forth in the Expenditure Requests section of this policy. Notwithstanding the aforementioned “Purpose” statement, Reserve Funds may, in limited circumstances, be used for non-capital expenditures. Non-capital expenditures must serve the best interests of the university and its present and future enrollment. Non-capital expenditures are subject to the requirements and limitations set-forth in the “Expenditure Requests section of this policy and require a 2/3 vote of the Board of Trustees.

Expenditure Requests

Capital and Non-Capital Expenditure Requests and Authorizations

1. Any single unbudgeted capital expenditure to be made from the Reserve Funds, exceeding \$20,000, or any multiple unbudgeted capital expenditures in any three-month period exceeding \$50,000 require a majority vote of the Board of Trustees. Any single unbudgeted capital expenditure not exceeding \$20,000 may be made by the President provided however he/she shall report such expenditure to the Board not later than the next Board meeting following the expenditure(s).
2. The President shall request the Board’s express authorization before making a non-capital expenditure from the Reserve Funds, regardless of value. All non-capital expenditures, regardless of value, require a 2/3 vote of the Board.

Westfield State University

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3. The President shall request the Board's express authorization before making a unbudgeted capital expenditure in excess of \$20,000, unless otherwise authorized by sub-paragraph 5 below.
4. Requests to make capital and/or non-capital expenditures from the Reserve Funds shall be presented at the university's annual budget meeting or from time to time as determined by the President.
5. In the event of a bona-fide emergency that requires an immediate expenditure to ensure the health, welfare and/or safety of students, faculty, staff or capital assets the President is authorized to expend up to \$100,000 from the Reserve Funds to mitigate such threat. In the event the President invokes this emergency authorization clause he/she shall notify the Chairperson of the Board as soon as is practical. Upon such notification the Chairperson shall determine whether an emergency meeting of the Board is necessary to further consider such expenditure and/or further consider the overall budget impact of said emergency.

Review

This policy shall be periodically reviewed and updated by the Board of Trustees as necessary.