

**Manhattan Area Technical College  
Institutional Policy and Procedure Manual**

**Policy No. 6.5.7**

<b>Title: Reserves Account Policy</b> Vice President of Operations	
Originated by:	
06/01/2025	
Signature	Date
Approved by:	
Signature	Date
Reviewed on:	
Revised on:	

**Policy Statement:**

The reserves of Manhattan Area Technical College are a critical financial resource intended to ensure fiscal stability and support the long-term sustainability of the institution. Access to these reserves must be governed by clear and consistent guidelines to maintain their integrity.

**Approval Process for Withdrawal**

A formal written request for withdrawal from the reserves must be submitted in the form of a memorandum. This memorandum should include:

1. The amount requested for withdrawal.
2. A detailed explanation of the purpose of the withdrawal.

All withdrawal requests must be reviewed and approved by both the Chief Financial Officer (CFO) and the President of Manhattan Area Technical College. Any request for less than \$25,000 will be shared with the Chairperson of the Board of Directors for review, with the full Board being made aware of the request as soon as is practically possible.

Any request for reserve funds of \$25,000 or more shall require formal approval by the Board of Directors through a majority vote before funds can be disbursed. The request must be accompanied by a detailed justification, financial impact assessment, and proposed plan for replenishment of reserves.

A request for purchasing must adhere to the following procurement policies:

- Policy 6.2.1 – Authorization to Purchase
- Policy 6.2.2 – Sealed Bids
- Policy 6.2.5 – Sole Source Purchasing Justification (when applicable)

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**Repayment Plan Requirement**

The written request must also include a detailed repayment plan to replenish the withdrawn reserves. This plan should specify:

1. The timeline for repayment.
2. The sources of funds for repayment.
3. Steps to be taken to ensure repayment without compromising the financial health of the institution.
4. Any approved funds used by the College will be clearly identified in financial reports to the Board until the funds have been repaid to the reserve fund.

Adherence to the repayment plan will be closely monitored, and progress tracked by the CFO on a quarterly basis and reported back to the MATC Board of Directors.

**Possible Use of Foundation Funds**

If appropriate, the President will convene a meeting of the Foundation Trustees to submit an urgent request for use of Foundation funds to meet a need. The President will share any such request to the Foundation with the Chairperson of the Board of Directors and the Board Liaison to the MATC Foundation.