

**APPROVAL OF WILLIAM & MARY'S
AUXILIARY ENTERPRISE RESERVE POLICY**

WHEREAS, the auxiliary enterprise program is required by the Commonwealth of Virginia to be a fully self-supported entity within higher education institutions;

WHEREAS, the university has maintained auxiliary cash balances to address deferred capital maintenance and ensure that the enterprise is able to withstand a downturn in the generation of revenues or unanticipated operating expenses; and

WHEREAS, the Chief Operating Officer, in consultation with the President, recommends the creation of an auxiliary enterprise reserve policy consistent with prudent financial management;

THEREFORE, BE IT RESOLVED, That the university's auxiliary enterprises will have these reserve targets: (a) operating reserves equivalent to at least one month, and up to three months, of operating expenses and (b) annual capital expenditures or contributions to capital reserves of at least 1.5% of the replacement value of buildings; and

BE IT FURTHER RESOLVED, That the university's auxiliary operating reserve shall not fall below 4% of total operating budgets.