A. DESCRIPTION

The Trustee Reserve account is maintained by the University to support miscellaneous unforeseen financial needs of the University as determined by the Board of Trustees or in certain instances by the President with the approval of the Chair. Authorization to use this fund is limited to the Board of Trustees, and to the President under certain circumstances further described below. The University Treasurer is the custodian of this account.

B. PURPOSE

1. To insure the long-term financial viability of the University and its Trust Funds.
2. To serve as an emergency fund against a special or critical situation in the University.
3. To meet short term fiscal crisis by supplementing program phase out.
4. To meet other extraordinary situations as identified by the President with the approval of the Chair, or by the Trustees.

C. FUNDING REQUIREMENTS/DISTRIBUTION GUIDELINES

1. Annual additions to the Trustee Reserve account are included in the President's Office budget. The President shall include in his budget an annual contribution to Trustee Reserve of no less than $500,000. The minimum annual contribution will be adjusted at least once every five years to counteract the impact of inflation.

2. The President may distribute, with approval of the chair of the Board of Trustees, funding for projects that meet Trustee Reserve criteria, up to a maximum of $300,000 per project per year. The President shall notify the Board of Trustees about all project funding.

3. Funding for projects in excess of $300,000 in a given year must have prior Board of Trustee approval.

D. REPORTING REQUIREMENTS

A report shall be provided to the President by the recipient of the funds, indicating how the funds were expended. This report shall be provided annually, or at the conclusion of the project, whichever occurs sooner.
E. EXPENDITURE GUIDELINES

All existing University of Massachusetts policies, guidelines, and procedures covering the use and stewardship of funds are applicable to expenditures of Trustee Reserve allocations. This includes the *Policy for the Management of University Funds* and associated appendices.