July 16, 2026

<u>27-003</u>	<u>6.003 FINANCIAL SHORTFALL DECLARATION</u>
PREPARED BY:	Chris Kinsley, Interim Vice President & CFO, Finance & Business Services
APPROVED BY:	Dr. Katy Ho, Acting President President's Cabinet
ROLES AND RESPONSIBILITY:	**Impacted:** This policy impacts employees, students, the Board and outside vendors at Portland Community College. **Implementation:** Working with the Budget Office, the CFO will maintain detailed awareness of the College's current and projected financial position, proactively making the President and Board aware of any significant concerns. Upon the recommendation of the President, the Board may declare a College-wide financial shortage and/or budgetary shortage at the recommendation of the College President if the criteria described in the general policy have been met. After the Board has declared a College-wide financial shortage for one or more of the reason(s) identified above, the College President must prepare a high-level plan for Board approval within 60 days to address and/or remedy the College's projected budgetary shortfall.
POLICY ADVISORS:	Vice President & CFO, Finance & Business Services
GENERAL POLICY:	The Board may declare a College-wide financial shortage and/or budgetary shortage at the recommendation of the College President (or designated Cabinet member) if A) the College's current or projected funding decreases by at least five percent (5%) or B) the College's budget has insufficient funds to do any one of the following: 1. Maintain all existing programs and services; 2. Finance all personnel costs for College employees; 3. Meet existing contractual obligations; or 4. Maintain the College's unrestricted fund balance at the minimum percentage established by Board Policy (B 510 Reserve Funds).

After the Board has declared a College-wide financial shortage for one or more of the reason(s) identified above, the College President must prepare a high-level plan for Board approval within 60 days to address and/or remedy the College's projected budgetary shortfall.

PURPOSE:	To define the term "College-Wide Financial Shortfall," and establish criteria and protocols related to a potential financial shortfall.
REVIEW:	To be reviewed at least once every 5 years from the date of adoption; it may be reviewed more often as needed by the CFO, with revisions forwarded to the Office of the President through the President's Cabinet for ultimate review and approval by the Board of Directors. If no revisions are recommended, this must be communicated at a public meeting of the Board, and the review date noted on the policy.
POLICY:	Financial Shortfall Declaration

6.003 Financial Shortfall Declaration Policy

PURPOSE

To define the term “College-Wide Financial Shortfall,” and establish criteria and protocols related to a potential financial shortfall.

RACI

- Responsible: President; Board of Directors
- Accountable: Vice President - CFO
- Consulted: Integrated Budget and Planning Council, Cabinet, College Community
- Informed: College Community

POLICY/PROCEDURE

I. Scope

This policy applies to the College’s general fund.

II. General Policy

The Board may declare a College-wide financial shortage and/or budgetary shortage at the recommendation of the College President (or designated Cabinet member) if A) the College’s current or projected funding decreases by at least five percent (5%) or B) the College’s budget has insufficient funds to do any one of the following:

A. Maintain all existing programs and services;
B. Finance all personnel costs for College employees;
C. Meet existing contractual obligations; or
D. Maintain the College’s unrestricted fund balance at the minimum percentage established by Board Policy (B 510 Reserve Funds).

After the Board has declared a College-wide financial shortage for one or more of the reason(s) identified above, the College President must prepare a high-level plan for Board approval within 60 days to address and/or remedy the College’s projected budgetary shortfall.

III. Definitions

For the purposes of this policy and related policy documents, the following definitions apply:

A. No special terms to define.

IV. Roles and Responsibilities

List roles and responsibilities relevant to the policy and to subordinate policy documents, including procedures, guidelines, frameworks, plans or local protocols that nest beneath the policy.

A. President: to remain informed as to the College's financial position; Ensure operational monitoring is appropriately delegated.
B. CFO: working with the Budget Office, maintaining detailed awareness of the College's current and projected financial position; proactively making the President and Board aware of any significant concerns.
C. Budget Director: monitor the College's current and projected financial position and convey concerns to the CFO.

V. Administrative Details and Document Governance

A. Policy Advisor: Vice President - CFO, Finance and Business Services
B. Related Policy: Reserve Funds – B 510
C. Review: To be reviewed at least once every 5 years from the date of adoption; it may be reviewed more often as needed by the CFO, with revisions forwarded to the Office of the President through the President's Cabinet for ultimate review and approval by the Board of Directors. If no revisions are recommended, this must be communicated at a public meeting of the Board, and the review date noted on the policy.
D. Past Revisions: New Policy, Not Applicable.
E. Approval:
    i. Cabinet Review | (First Reading): June 3, 2026
    ii. Cabinet Review | Approval (Second Reading): June 10, 2026
    iii. Board Review (First Reading) June 18, 2026
    iv. Board Review | Approval (Second Reading) July 16, 2026