

**Southern Oregon University  
Board of Trustees**

**RESOLUTION**

**Establishment and Governance of Strategic University Reserve**

Whereas, the Board of Trustees of Southern Oregon University (SOU) previously authorized the sale of certain real property assets for the financial benefit of the university in the resolution titled, "[Delegation of Authority for the Sale of Real Property](#)," dated October 18, 2024;

Whereas, the proceeds from these authorized sales are now being realized and require a formal structure for their preservation;

Whereas, the Board identifies a critical need to strengthen the university's reserves to support long-term financial stability and to provide a mechanism for funding essential, revenue-generating projects;

Whereas, the Board seeks to ensure these funds are protected from routine operational use, serving instead as a revolving capital base that is accessed only in exceptional circumstances for high-impact, revenue-positive growth; and

Whereas, the Board intends to preserve the monies from the proceeds of these property sales to support the fiscal health of the institution; Now therefore,

The Board of Trustees resolves:

1. **Establishment of Reserve:** The Board hereby directs the creation of a strategic university reserve fund, "University Reserve - BOT Approval Required" (the "Reserve"). All of the net proceeds from the board-authorized sales of university properties shall be deposited into this specific Reserve;
2. **Primary Purpose:** The Reserve is established to bolster the university's reserves and serve as a fund for internal financing to be used only for essential and exceptional projects that demonstrate a clear, measurable, financial return on investment (ROI) that is at least equal to the amount funding requested for a project, and demonstrates a clear value hypothesis to generate new, sustainable revenue for the university. In the event that a proposed project is not expected to generate sustainable revenue for the university, exceptional and compelling justification for the project must also be provided for the Board of Trustees' consideration at the time of request for the use of funds from this Reserve;
3. **Repayment Obligation:** Project proposals must include an anticipated revenue schedule and a plan and schedule for loan repayment. Projects must submit, and the Board must approve, a repayment schedule at the time of each project

authorization to preserve the Reserve as a revolving source of capital and ensure full reimbursement to the Reserve.

4. Restrictions on Use:

- a. Board Approval Required: Notwithstanding any delegations of authority, no portion of the Reserve may be encumbered, transferred, moved, or spent without a specific, affirmative vote and resolution by the Board of Trustees.
- b. No Cash Management: These funds shall not be used for daily cash management, bridging short-term cash flow gaps, budgetary shortfalls, or funding operating expenses.
- c. Exceptions: The Board retains the sole authority to authorize exceptions to this policy statement. Any projects seeking exceptions must also be accompanied by an approved remediation plan and a specific timeline for fund replenishment before the Board considers an authorization.

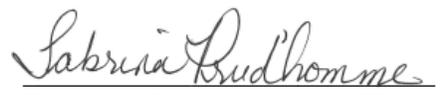
5. Oversight: The President or their designee shall provide regular reports, at least quarterly, to the Finance and Administration Committee of the Board of Trustees, on the status of the Reserve, including the current balance, financial performance of any projects funded by the Reserve, qualitative and/or quantitative measures of the success of approved projects, and confirming that no unauthorized withdrawals have occurred.

VOTE:

Bailey	Non-Voting
Barry	Absent
Chavez	Yes
Clough	Yes
Everson	Yes
Fuentes	Absent
Harwood	Yes
King	Yes
Medina (Kruger)	Yes
Lee	Yes
Santos	Yes
Schepmann	Yes
Shelby	Yes
Stephenson	Yes
Thalden	Yes

DATE: January 16, 2026

Recorded by,



Sabrina Prud'homme  
University Board Secretary