

Chapter 6 – Business and Fiscal Affairs

BP 6250 Budget Management

References:

Title 5 Sections 58307 and 58308; BP 6200; Budget and Accounting Manual, Chapter 5 Appendix A1 Government Finance Officer's Association (GFOA) Fund Balance Guidelines for the General Fund

The budget shall be managed in accordance with Title 5 and the California Community College Budget and Accounting Manual. Budget revisions shall be made only in accordance with these policies and as provided by law.

Revenues accruing to the College in excess of amounts budgeted shall be added to the College's reserve for contingencies. They are available for appropriation only upon approval of the Board of Trustees that sets forth the need according to major budget classifications in accordance with applicable law.

Board of Trustees approval is required for changes between major expenditure classifications. Transfers from the reserve for contingencies to any expenditure classification must be approved by a two-thirds vote of the members of the Board of Trustees. Transfers between expenditure classifications must be approved by a majority vote of the members of the Board of Trustees.

To ensure ongoing fiscal health and stability, the District shall budget a total reserve at not less than 10% of total unrestricted general fund expenditures. To align with the Government Finance Officer's Association's recommendations which include accounting for two months operating expenditures, the total unrestricted general fund ending balance will be at least 18.5% of total unrestricted general fund expenditures. If the ending fund balance is less than 18.5%, the College will present a plan within 120 days to restore the ending fund balance within two fiscal years.

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Reviewed: June 9, 2015

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