

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 AI 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~~ maintain the total Unrestricted General Fund Balance (reserves) at **reserve at** not less than 10% of total **unrestricted general fund** expenditures. **To align with Government Finance Officer's Association's recommendations which includes 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.** ~~Upon recommendation of the College President/CEO, the Board of Trustees may, by resolution, waive this requirement and permit reserves to be reduced to not less than 5%. If the reserves become less than 10%,~~ **ending fund balance is less than 18.5%,** the College will present a plan within 120 days to restore the reserves **ending fund balance** within two fiscal years.

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Reviewed: May 14, 2013

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Reviewed: June 9, 2015

Reviewed: May 10, 2016