

Rancho Santiago Community College District
ADMINISTRATIVE REGULATION
Chapter 6
Business and Fiscal Affairs

AR 6305 Reserves

Per the Board of Trustees and Board Policy 6250, the district has established a goal for its fund balance to be maintained at a minimum two months of total general fund operating expenditures reserve for contingencies which may occur in the course of the fiscal year. This reserve shall be known as the Board Policy Contingency.

Once this goal is met, the Vice Chancellor, Business Services and the Assistant Vice Chancellor, Fiscal Services shall monitor the reserves so that it maintains a minimum two months of total general fund operating expenditures (funds 11, 12, 13), but in no case will the reserve become less than 12.5%.

In the event the Board of Trustees determine a need to allocate a portion of the Board Policy Contingency and this reserve becomes less than two months of total general fund operating expenditures, the Chancellor shall, within 120 days, present a plan to replenish the one-time draw down of the reserve to at least two months of total general fund operating expenditures. This replenishment plan will be discussed through the normal participatory governance process and will include details on the amount required and timeline for replenishing the reserve.

The Board of Trustees must approve utilization of monies from the reserve for contingencies (Board Policy Contingency) by a two-third majority vote.

Responsible Manager: Assistant Vice Chancellor, Fiscal Services

Revised: November 2, 2015 (Previously AR 6200)
Revised: August 1, 2016
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Revised: December 5, 2022
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