

Rancho Santiago Community College District
BOARD POLICY
Chapter 6
Business and Fiscal Affairs

BP 6250 Budget Management

Reference(s):

Title 5 Sections 58307 and 58308

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

Due to the significant funding variability and uncertainty related to the Student Centered Funding Formula, the District's unrestricted general reserves shall be no less than 12.5% of total expenditures. (The Government Finance Officers Association (GFOA) recommends a reserve of no less than two months of regular general fund operating revenues or regular general fund operating expenditures and Schools Services of California recommends a minimum 10% reserve level.)

No appropriation to any expenditure classification shall be made from this reserve without a two-thirds vote of the Board of Trustees. In the event the reserve becomes less than 12.5%, the Chancellor shall, within 120 days, implement a plan to replenish the reserve to at least 12.5%.

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

Board approval is required for changes between major expenditure classifications. Transfers between expenditure classifications must be approved by a majority vote of the members of the Board.

Revised: July 21, 2014 (Previously BP3204 and BP3205)

Revised: February 25, 2019