

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

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**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 and the recommendation by the California Community College Chancellor's Office to adopt a policy aiming to align reserve balances to recommendations by the Government Finance Officers Association (GFOA) to maintain a reserve of no less than two months of total general fund operating expenditures, the district sets this target as a goal to be achieved over time, but in no case will the reserve become less than 12.5% of combined general funds 11, 12 and 13.

Once this goal is met, 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 two months of total general fund operating expenditures, the Chancellor shall, within 120 days, implement a plan to replenish the reserve to at least two months of total general fund operating expenditures.

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**  
**Revised May 30, 2023**