

BP 5200 BUDGET PREPARATION AND RESERVES

References:

Education Code Section 70902(b)(5);
Title 5 Sections 58300 et seq.;
The California Community Colleges Budget and Accounting Manual
ACCJC Accreditation Standard III.D

Each year, the Chancellor shall present to the Board of Trustees a budget, prepared in accordance with all applicable laws and regulations. The schedule for presentation and review of budget proposals shall comply with state law and regulations, and provide adequate time for Board of Trustees review.

The District shall employ the concept of a fund balance target in the annual budget development process. The fund balance target concept shall apply to the Unrestricted General Operating Fund (Resource 1000) and shall equate to a minimum of two months of total general operating fund regular ongoing expenditures measured as follows:

- 1) The monthly average of total Resource 1000 expenditures from the prior fiscal year, exclusive of one-time expenditures, times two.
- 2) This policy will be implemented ratably over a four year period with the first year of implementation being FY 2023-2024, based on the calculation each year and culminating in full implementation by FY 2026-27.

The fund balance target amount shall be the first item funded in the budget for any fiscal year and will also be extended to other District Funds/Resources when and where applicable.

Budget preparation shall meet the following criteria:

- The annual budget shall support the District's strategic and educational plans;
- Assumptions upon which the budget is based shall be presented to the Board of Trustees for review; and
- A schedule shall be provided to the Board of Trustees each year that includes dates for presentation of the tentative budget, required public hearing(s), Board review, and approval of the final budget. At the public hearings, interested persons may appear and address the Board of Trustees regarding the proposed budget or any item in the proposed budget.

- Changes in the assumptions upon which the budget was based shall be reported to the Board of Trustees in a timely manner.
- Budget projections address long-term goals and commitments.

Date Approved: May 15 2007

Revised: November 25, 2014 (references only)

Revised: January 17, 2023

(Replaces Policy 7080)

Formerly: 6200