

BUDGET PREPARATION

The Board of Trustees is responsible for the control of all the funds of the District and accepts the responsibility to direct the use of these funds in a prudent manner.

Each year, the Chancellor shall direct the staff in the development of the budget and present to the Board a budget, prepared in accordance with Title 5 and the California Community Colleges Budget and Accounting Manual. The schedule for presentation and review of budget proposals shall comply with state laws and regulations, and provide adequate time for Board study.

Budget development shall meet the following criteria:

- A. The annual budget shall support planning, both on a district-wide and college basis. Planning documents critical to the development of the budget are the district-wide strategic plan, college strategic plans, educational master and strategic plans, facilities master plan, district-wide information technology plan, and other planning documents.

- B. Reserve for Economic Uncertainties

The general fund reserve for economic uncertainties shall be no less than 7.5 percent of the projected unrestricted revenue. A monthly update will be provided to the Board of Trustees that reviews current revenue, expenditures, and ending balance projections. Any action proposed by a staff member, a Board member, or the Board of Trustees as a governing body, which could potentially reduce the reserve, will be reported to the Board in the monthly update. A reported reduction in the reserve below 7.5 percent shall be accompanied by a plan that indicates how the reserve shall be restored.

- C. Deficit Financing

Deficit financing is defined as a budget in which projected expenditures exceed projected revenue and beginning fund balance for the year. Deficit financing should not occur for ongoing expenses such as salary increases. The amount of deficit financing should always be clearly presented in the budget document. Deficit financing shall not result in a reserve balance that is less than 7.5 percent.

- D. A Budget Calendar is provided to the Board annually that includes dates for presentation of the tentative budget, required public hearing(s), Board study session(s), and approval of the final budget. At the public hearings, interested persons may appear and address the Board regarding the proposed budget or any item in the proposed budget.

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Revised: 4-26-99 Revised: 08-26-13
Revised: 9-29-03 Revised: 07-15-19

- E. Budget projections shall address long-term goals and commitments.
- F. Following the adoption of the District budget by the Board of Trustees, the Chancellor shall administer the budget in conformity with all legal requirements and the actions of the Board of Trustees.

References:

*Education Code Section, 70902(b)(5);
Title 5, Section 58300 et seq.
Accreditation Standard III.D.*

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