



Book	Board Policies
Section	Chapter 6 - Business and Fiscal Affairs
Title	Budget Preparation
Code	BP 6200
Status	Active
Adopted	October 3, 2006
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Each year, the President/Superintendent shall present to the Board of Trustees a budget prepared in accordance with Title 5 and the California Community Colleges Budget and Accounting Manual (BAM). The schedule for presentation and review of budget proposals shall comply with state law and regulations, and provide adequate time for Board study. Budget development shall meet the following criteria:

1. The annual budget shall support the District's approved operations and institutional plans.
2. Assumptions upon which the budget is based are presented to the Board for review.
3. The annual budget and multiyear budget projections shall meet all the requirements of Accreditation Standard III D Financial Resources, including, "The level of financial resources provides a reasonable expectation of both short-term and long-term financial solvency," and Eligibility Requirement 17 Financial Resources.
4. A schedule is provided to the Board by September of each year that includes dates for presentation of the Tentative Budget, required public hearing(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.
5. The annual budget shall be reported to the Board at its September meeting as the Final Budget. Each year the Tentative and Final Budgets shall maintain an unrestricted general fund balance as follows:
 - a. If the fund balance is below 5.0%, the budget shall restore the year-end fund balance to 5.0%;
 - b. If the fund balance is below 10% but greater than 5.0%, the budget shall steadily increase the fund balance to a goal of 10% (equal to about 1.5 months of payroll expenditures); and
 - c. If the fund balance is greater than 10%:
 - The budget may maintain the fund balance or steadily reduce the fund balance to no less than 10%,
 - or may increase the fund balance further, but shall include an explanation of the need to accumulate an excess fund balance above 10% (i.e. as a reserve for potential mid-year cut in State funding, to fund a multiyear strategic initiative, etc.).

See Administrative Procedure #AP 6200.

Reference: Education Code Section 70902(b)(5); Title 5, 58300 et seq. ok

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