

**Kern Community College District
Board Policy
Chapter 6 – Business and Fiscal Affairs**

BP 6250 Budget Management

References:

Title 5 Sections 58307 and 58308

Note: This policy is *legally required*.

~~3A1D Budget Management~~–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.

The District's unrestricted general reserves shall be no less than 5%.

Revenues accruing to the District or Colleges in excess of amounts budgeted shall be added to the District or Colleges reserve for contingencies. They are available for appropriation only upon approval of the Board of Trustees 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 from the reserve for contingencies to any expenditure classification must be approved by a two-thirds vote of the members of the Board. Transfers between expenditure classifications must be approved by a majority vote of the members of the Board.

These expenditures transfers will be presented to the Board for approval in February and July of each year.

- From Current KCCD Policy 3A3 titled Expenditures

~~3A3A~~

Expenditures

The approved budget is the District-wide plan for expenditures during the fiscal year.

~~3A3B~~ Under the direction of the District Chancellor, t~~The college~~ Chief Business Officers at the District and colleges will ascertain that all goods, services, and leases are obtained at the lowest possible competitive prices taking into consideration desired quality and services. This will entail the consideration of all qualified vendors. Standardization of equipment may be required for efficient maintainability and reliability.

**Kern Community College District
Administrative Procedure
Chapter 6 – Business and Fiscal Services**

AP 6305 Reserves

References:

Budget and Accounting Manual, Chapter 5: Appendix A

Note: This procedure is legally advised.

The District must provide a prudent reserve and may include procedures related to establishing and maintaining reserves.

PROPOSED RESERVE LANGUAGE

BP 6250 Budget Management (page 15)

Current CCLC Language: The District's unrestricted general reserves shall be no less than 5%.

KCCD Proposed Additional Language:

District-wide unrestricted general fund reserves shall be no less than fifteen percent (15%) and ~~shall~~ ~~should~~ not exceed twenty percent (20%) of the total unrestricted district-wide expenditures. Should the General Fund unrestricted fund balance fall below 15% or become greater than 20%, the Chancellor will consult with constituent groups ~~for one-time expenditures of excess reserves~~ in accordance with **AP 6305**.

College budgeted reserves (carryover) will not be considered as part of District-wide reserves.

Each of the colleges shall maintain a minimum unrestricted general fund reserve of five percent (5%) of the total unrestricted college expenditure. These reserves will be established as unrestricted reserves for obligations and contingencies.

New Possible Procedure Language (AP 6305 – Reserves page 12)

Should the General Fund unrestricted fund balance fall below 15%, the District shall adopt a plan to replenish the General Fund unrestricted fund balance to 15% within three years. Should the General Fund unrestricted fund balance exceed 20% of annual operating expenditures and transfers of the General Fund, balances in excess shall be distributed to the colleges based on the internal allocation model within three years or the Chancellor will consult with constituent groups for one-time expenditures of excess reserves.