

DRAFT

Reserves

3115 (proposed)

The Board of Trustees recognizes the importance of fiscal stability and in establishing and maintaining an adequate reserve level. Pursuant to requirements of Title 5, the Board hereby directs the Chancellor, and by delegation, designated employees, to establish a prudent budget reserve.

The intent of the reserve is to address emergencies or catastrophic issues that may arise during the course of the year. The District's annual Adopted Budget shall include an undesignated reserve fund to ensure that the District will be in a positive cash position at the end of the fiscal year. In no case shall the Board adopt a budget with a reserve of less than five percent (5%) of unrestricted general fund revenues.

In addition to the general fund reserve, the Board of Trustees may establish a Stability Fund in order to further buffer the District from financial uncertainty.

Education Code Section 70902
Title 5, Sections 58301 et seq.
Government Code Section 7900

Approved ____