Glendale Community College District

6305 Administrative Regulation

DISTRICT RESERVES

<u>Unrestricted General Fund Reserves</u>

A. General Reserve

- 1. As recommended by the Community College System Office and the Accrediting Commission the District shall strive to maintain in any given fiscal year an un-appropriated reserve (General Reserve) of 5% of the prior year's actual expenditures within the Unrestricted General Fund.
- 2. The Board of Trustees may make funds in the General Reserve available for appropriation by passing a formal resolution setting forth the need according to major classifications of District expenditures. (California Code of Regulations 58308)
- 3. Should the General Reserve fall below 5%, the administration must notify the Board and develop a plan for restoring the reserve.

B. Reserve for Contingency

- 1. In 2011-12, the District's Reserve for Contingency in the Unrestricted General Fund was \$400,000 in ongoing funds. In future years, this Reserve for Contingency shall strive to increase ongoing funds until such time as a Reserve for Contingency of 1% of prior year expenditures is achieved. Thereafter, a Reserve for Contingency of 1% of prior year expenditures shall be budgeted at the beginning of each fiscal year.
- 2. The Board of Trustees may transfer funds from the Reserve for Contingency upon the approval of two-thirds of the Board members. (California Code of Regulations 58307)

C. Reserve for Salary Stabilization

 The District shall establish an additional reserve for salary stabilization. Since the District does not budget its growth revenues until they have been earned, this reserve will be funded from this source of revenue each year. For 2013-14, the amount deposited shall be 30% of any **Glendale Community College District**

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C. Reserve for Salary Stabilization (continued)

unbudgeted growth revenues less any state-wide shortfall in property taxes or enrollment fees. In 2014-15, the amount deposited shall be 40% and every year thereafter the amount deposited shall be 50%. Deposits will be made into this reserve until it reaches a level of four percent (4%) of prior year actual expenditures in the Unrestricted General Fund.

- 2. This reserve will be solely committed for salary stabilization and will be used in those years that the District is unable to meet its salary obligations to its employees.
- 3. In years when funds are distributed from this reserve, no additional funds will be deposited into this account from growth revenues or any other District account or revenue source.

Reference:

Budget and Accounting Manual, Chapter 5; Appendix A

Adopted 2/17/09

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