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**Administrative Regulation**  
Chapter 6 – Business & Fiscal Affairs

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**AR 6305      RESERVES**

The District shall have as a high budget priority the appropriation in the final budget of an uncommitted reserve in the unrestricted general fund. The Board of Trustees recognizes the need for cash-flow management and the necessity of considering financial uncertainties in the development of the District budget. To this end, the following reserve accounts shall be included in the final budget:

**General Reserves**

The final budget shall include an unappropriated reserve to ensure that the District will be in a positive cash position at the end of the fiscal year. This reserve shall be (at a minimum) five percent of unrestricted general fund revenues and beginning fund balance and shall not be available for appropriations during the fiscal year.

**Contingency Reserve**

The District budget shall also include an appropriation for reserve for economic uncertainties to cover:

1. unanticipated emergencies;
2. unanticipated declines in property tax revenues or other sources of funds;
3. additional program development activities not considered prior to budget adoption. This reserve shall be (at a minimum) three percent (3%) of total unrestricted general fund revenues and beginning fund balance.

The Superintendent/President is authorized to utilize funds from the Contingency Reserve. Any such use of the Contingency Reserve shall be reported to the Board of Trustees in the next regularly scheduled open session.

**Reference:** Budget and Accounting Manual, Chapter 5; Appendix A

*Reviewed and Approved by Senior Staff: 6-8-2021*  
*(This is a new regulation)*