

REASON FOR REVIEW: Other Request

To meet eligibility criteria for 2022-23 Emergency Conditions Allowance funding per Resolution 2022-08-26-FS01 Regarding the 2022-23 COVID-19 Emergency Conditions Allowance adopted August 2022, requiring that SBCCD adopt a board policy prior to February 28, 2023, on reserves that is in alignment with Government Finance Officers Association recommendations. This criteria matches the SBCCD Budget Directives adopted by the BOT on February 10, 2022.

BP 6300 Fiscal Management

No Change Recommended (FYI only)

The Chancellor shall establish procedures to assure that the District's fiscal management is in accordance with the principles contained in Title 5 Section 58311, including:

- Adequate internal controls exist.
- Fiscal objectives, procedures, and constraints are communicated to the Board and employees.
- Adjustments to the budget are made in a timely manner, when necessary.
- The management information system provides timely, accurate, and reliable fiscal information.
- Responsibility and accountability for fiscal management are clearly delineated.

The Chancellor shall also establish procedures that satisfy the U.S. Education Department General Administrative Regulations (EDGAR) Second Edition for any federal funds received by the District.

The books and records of the District shall be maintained pursuant to the California Community Colleges Budget and Accounting Manual.

As required by law, the Board shall be presented with a quarterly report showing the financial and budgetary conditions of the District.

As required by the California Community Colleges Budget and Accounting Manual, expenditures shall be recognized in the accounting period in which the liability is incurred, and shall be limited to the amount budgeted for each major classification of accounts and to the total amount of the budget for each fund.

References:

Education Code Section 84040(c); Title 5 Section 58311;
ACCJC Accreditation Standard III.D2 Code of Federal Regulations Parts 200.302(b)(6)-(7), 200.305, and 200.400 et seq.

AP 6305 Reserves

Current SBCCD Version with Changes Redlined

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 no less than the prudent reserve defined by the State Chancellor's Office.

In line with the most recent guidance from the State Chancellor's Office, SBCCD will maintain a minimum fund balance of approximately two months of expenditures in its Unrestricted General Fund as recommended by the Government Finance Officers Association, unless fund balance is utilized for specially identified one-time needs as authorized by the Board of Trustees.

References:

Budget and Accounting Manual, Chapter 5; Appendix A