AP 6305  RESERVES

Reference:

California Community Colleges Budget and Accounting Manual, Chapter 5; Appendix A

Reserve Standards

- **General Fund Reserve**: The target reserve is five percent of the Unrestricted General Fund expenditures.

**Contingency Reserve**: A contingency reserve exists in addition to the State-mandated General Fund Reserve, affording the District added fiscal flexibility. The target reserve is a maximum of three percent of the Unrestricted General Fund expenditures. The contingency reserve is to be used for unanticipated changes in expenditures or revenues when impending changes in operations would result in significant service reductions. Use of the contingency reserve requires a two-thirds positive vote of the Board.