

## ***Savings/Carryover***

Savings for the sites is calculated as 100% of the unexpended budget for a fiscal year, excluding institutional costs for Central Services.

Of this 100% calculation, the colleges will be able to retain and carry forward 75% of the savings generated from its site and 25% will revert back to the District to be included in the unrestricted general fund balance. ~~These carryover~~ The 75% carryover funds held by each college will be allocated and spent in accordance the college's spending priorities.

Carry forward for the Central Services Departments will be calculated at the same rate as the colleges, with 75% retained in the respective department and 25% reverting back to the unrestricted general fund balance. The use of carry forward will be made in consultation with the colleges.

~~Savings generated from the Facilities and Information Technology Services departments will revert back to the fund balance and be made available through reallocation for specifically identified needs. The reallocation process will take place within Central Services.~~

If any of the three locations exceeds their budget for a fiscal year, the subsequent fiscal year's budget for that location will be adjusted to cover the shortfall.

Fiscal year budget shortfalls for Institutional Costs will be covered by the undesignated fund balance as long as the projected total fund balance remains above 15%. Subsequent fiscal year budget planning will take into consideration adjustments to Institutional Costs.

See below for 15% reserve clarification.

### ***District Reserves*** (We needs to address the triggers for using the reserve line items)

The carryover funds for all three sites will be identified as a reserve within the District's total fund balance.

Any state mandated budget cuts or unanticipated emergency expenditures for a fiscal year will be covered by reserves for the current fiscal year as long as the projected total fund balance remains above 15%. Future year budget planning may incorporate necessary budget reductions or, at the discretion of Executive Cabinet, reserves will be accessed to maintain the integrity of the budget.

If the District needs to increase or replenish the Board designated reserve, it would first come from one-time revenue, then reallocation of current reserves within the fund balance (i.e. PERS/STRS, TCOs, etc.), use of the PRSP, the undesignated fund balance and then the College and Central Services reserves, based on the resource allocation model. the District Office balances and then the college reserves based on their FTES percentage. The 15% overall reserve includes the Board mandated 10% reserve, Unrestricted General Fund reserves, designated General Fund reserves and STRS/PERS trust fund balances.

### ***One-Time and Dedicated Revenues***

One-time revenue received during a fiscal year will be included in the ending fund balance during the year in which is received. If the one-time funds are not needed to replenish the District's reserves or fund balance, it will be reallocated through the Resource Allocation Model in the subsequent fiscal year.

Dedicated revenues that go to the colleges, such as nonresident tuition, will be reviewed and variances between budget and actual will be accounted for in the fiscal year subsequent to receipt of the revenue.

[Original Document 11.24.20](#)

[Revised 02.19.21\\_cln](#)

DRAFT