

Coast Community College District
BOARD POLICY
Chapter 6
Business and Fiscal Affairs

BP 6200 Budget Preparation

References:

Education Code Section 70902(b)(5);
Title 5, Sections 58300 et seq.;
Government Finance Officers Association: *Best Practices in Community College Budgeting*

Each year, the Chancellor shall present to the Board a budget for the District, prepared in accordance with Title 5 and the California Community Colleges Budget and Accounting Manual. The schedule for presentation and review of budget proposals shall comply with state law, and provide adequate time for Board study.

Budget development shall meet the following criteria:

- The annual budget shall support the District's strategic plans.
- Assumptions upon which the budget is based shall be presented to the Board for review. By May 1st of each year, the Board will be provided with a schedule that includes dates for the presentation of the tentative budget, required public hearing(s), and approval of the final budget. At the public hearings, interested persons may appear and address the Board regarding the proposed budget or any item within the proposed budget.
- The District's annual Adopted Budget shall include an unappropriated reserve of either a minimum of two months of total general fund operating expenditures, or 16.7% of unrestricted general fund expenditures, equally split as a Reserve for Contingencies and an Ancillary Reserve. The components of the reserves are specified in greater detail in Administrative Procedure 6305. No appropriation shall be made from the Reserve for Contingencies without a two-thirds vote of the Board.
- Changes in the assumptions upon which the budget is based shall be reported to the Board in a timely manner.
- Budget projections shall address long-term goals and commitments.

Fund balance definitions will be in accordance with Governmental Accounting Standards Board (GASB) Statement No. 54. These currently include and are defined as:

- **Restricted** - can be spent only for specific purposes stipulated by law or external resource providers.
- **Committed** - can be spent only for purposes determined by formal action of the Board.
 - The Board designates the fund balances in the Capital Projects Fund, Retiree Benefits Fund, Self-Insurance Fund, and Veterans' Stadium Fund as committed solely for the purposes established for each fund.

- **Assigned** - determined to be used for specific purposes but not by formal action or law.
- **Unassigned** - all amounts not classified as either restricted, committed, or assigned.

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Renumbered from CCCD Policy 040-1-2.1, Fall 2010
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