



Policy

6305 Reserves

The District shall maintain unrestricted General Fund reserves of no less than two months of regular unrestricted general fund operating expenditures so as to provide stability to the District when faced with revenue shortfalls or unanticipated expenditures. The overall reserve percentage includes the Board Required Reserve of 10%.

Cross References (see also):

YCCD Policy 2330 – Quorum and Voting

References:

[Budgeting and Accounting Manual, Chapter 5](#)

Adopted: July 12, 2017

Revision Adopted: ~~December 11, 2019~~, February 13, 2023

Last Reviewed: ~~July 12, 2017, December 11, 2019~~, February 13, 2023

Administrative Procedure

6305 Reserves

District reserves will be used as follows:

- In the event there is a shortfall in budgeted revenue, and that shortfall cannot be corrected using other forms of revenue, the Chancellor and the Vice Chancellor of District Administrative Services, in consultation with DFAC and the District Council, will prepare a recommendation to the Board of Trustees to utilize reserves to mitigate these impacts on District programs and staffing.
- Any state mandated budget cuts or unanticipated emergency expenditures for a fiscal year will be covered by reserves for the current fiscal year in order to mitigate impacts on District programs and staffing.
- If the District needs to increase or replenish reserves, it would first come from one-time revenue, new ongoing revenue, budget savings and efficiencies, use of the Pension Rate Stabilization Trust, or other potential sources of funds available to the District.
- The reserve requirement will be suspended during a fiscal emergency and will be restored once the fiscal emergency has been declared over by the Board of Trustees. The reserves will be restored as soon as practical (up to three years) but not in a way as to create further financial instability.

References:

[Budgeting and Accounting Manual, Chapter 5](#)

Procedure Last Revised: February 13, 2023

Last Reviewed: February 13, 2023