

The district shall have as a high budget priority the appropriation in the final budget of an uncommitted reserve in the unrestricted general fund. The Board of Trustees recognizes the need for cash-flow management and the necessity of considering financial uncertainties in the development of the district budget. To this end, the total minimum reserves of 15 percent of the general unrestricted funds shall be included in the final budget as follows:

General Reserves

The final budget shall include an unappropriated reserve to ensure the district will be in a positive cash position at the end of the fiscal year. This reserve shall be (at a minimum) five percent of general unrestricted funds expenditures at fiscal year-end.

Reserve for Emergencies

The district budget shall also include an appropriation for reserve for economic uncertainties to cover (1) unanticipated emergencies, (2) unanticipated declines in property tax revenues or other sources of funds, and (3) additional program development activities not considered prior to budget adoption. This reserve shall be (at a minimum) ten percent of general unrestricted funds expenditures at fiscal year-end.

The superintendent/president is authorized to utilize funds from the emergency fund for urgent situations upon verbal notification to the board president, or if they cannot be reached, any other member of the board. Any such use of the reserve shall be reported to the board in the next regularly scheduled open session.