

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 district shall maintain a minimum reserve equal to two months of total unrestricted general fund operating expenditures (17 percent).

Reserve for Economic Uncertainties

The district budget shall 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) 17 percent of general unrestricted funds expenditures at the start of each fiscal year.

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.