

Chabot-Las Positas Community College District
Administrative Procedure

AP 6305

Business and Fiscal Affairs

AP 6305 RESERVES

Reference:

California Community Colleges *Budget and Accounting Manual*, Chapter 5,
Appendix A [California Community Colleges Accounting Advisories, Accrediting
Commission for Community and Junior Colleges Accreditation Standard III D,
Fiscal Crisis & Management Assistance Team Fiscal Health Risk Analysis](#)

Reserve Standards

- **General Fund Reserve:** The target reserve is five eight percent of the Unrestricted General Fund.
- **Contingency Reserve:** In addition to the State-mandated General Fund Reserve, a contingency reserve will be maintained to afford the four locations, Chabot College, Las Positas College, District Office and Maintenance and Operations added fiscal flexibility. The target contingency reserve is one (1) percent of the Unrestricted Operating Expenditure Budget. The contingency reserve is to be used for unanticipated changes in expenditures or revenues when impending changes in operations would result in significant service reductions.

Date Approved: March 18, 2014

(This is a new procedure recommended by the Policy and Procedure Service)