

SOLANO COMMUNITY COLLEGE DISTRICT

DISTRICT FISCAL POLICY

3005

- POLICY:** The Governing Board recognizes the importance of fiscal stability in the District and hereby directs the Superintendent/President:
- a. To provide responsible stewardship of available financial resources.
 - b. To develop and implement fiscal planning processes that directly support the strategic plan (vision, mission, directions, and strategic goals) and are structured on constituency input.
 - c. To maintain adequate cash and fund balance reserves to meet short- and long-term needs, obligations and liabilities.
 - d. To establish and maintain an annual general fund reserve equal to 5% of annual unrestricted expense.
 - e. To limit the District's exposure to undue liability and risk.
 - f. To identify sources of revenue prior to making short- and long-term commitments.
 - g. To establish and maintain an annual budget of ½ of 1% of annual unrestricted expense for the repair and replacement of equipment and facilities needed to sustain instructional and support programs.
 - h. To ensure that auxiliary activities having a fiscal impact on the District are consistent with the instructional mission of the District and comply with sound business, accounting, budget, and public disclosure and audit principles.
 - i. To incorporate fiscal responsibility and staff accountability in the organizational structure.
 - j. To ensure there is timely reporting to allow budget managers to effectively manage their fiscal responsibilities.

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POLICY: (Continued)

- k. To seek alternative funding sources.
- l. To keep the Governing Board informed regarding the current fiscal condition of the District as an integral part of the decision-making processes.
- m. To maintain an effective and efficient information system in order to provide timely, accurate and reliable fiscal information.

Budget Policies

The District's annual budget will ensure and maintain fiscal stability and identify resources to meet the objectives of strategic planning. Budget development will occur through the shared governance process. The Vice President of Administrative and Business Services is responsible for submitting a budget to the Superintendent/President that complies with state and Governing Board policies.

Budget Development

The Superintendent/President or his/her designee shall direct appropriate staff to prepare and submit to the Governing Board, in June, a tentative budget for the ensuing fiscal year. The tentative budget will be filed with the appropriate state agencies on or before July 1 each year. The annual District budget will be prepared in conformance with the California Community College Budget and Accounting Manual, and in conformance with provisions of the Education Code. Development of the budget shall begin early in the calendar year in order to provide ample opportunities for the Governing Board, staff and constituencies to consider all relevant data, parameters and issues prior to Board adoption at a regularly scheduled meeting. The final budget will be approved by the Board within 60 days after the approval of an annual state budget.

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POLICY: (Continued)

In accordance with Title 5 regulations, the tentative budget shall include estimated income and proposed expenditures in sufficient detail to permit comparisons between the proposed budget and actual revenues and expenses in the current year. The tentative budget shall also reflect the following:

- Adherence to principles of sound fiscal management.
- Allocation of resources to instructional and support programs consistent with the District's strategic plan (vision, mission, directions, and strategic goals).
- A minimum of 5% unrestricted general fund reserve that complies with Board Policy 3010.
- Projected Full Time Equivalent Students (FTES).
- Date, location and time of Governing Board public hearing to be held prior to final budget adoption.

**REFERENCES/
AUTHORITY:**

Education Code Section 70902

California Code of Regulations, Title 5, Sections 58301
et seq.

WW/jka

BP 3005

ADOPTED: June 15, 2005
REVIEWED: 2008 – No Updates