

**Rancho Santiago Canyon College District
Budget Allocation Model
Based on SB 361**

Paragraph revision recommendation:

Budget Center Reserves and Deficits

It is strongly recommended that the colleges and District Services budget centers set aside at least a 1% contingency reserve to handle unplanned and unforeseen expenses. If the monies for funded vacancies in District Services are unspent by year-end, the funds for the unfilled vacancies fall into the colleges' year-end balances and are included in the colleges' beginning balances for the following fiscal year. If unspent by year end, the reserve falls into the year-end balance and is included in the Budget Centers' beginning balance for the following fiscal year.