Per the Board of Trustees and Board Policy 6250, the district fund balance shall maintain a minimum twelve and a half percent (12.5%) reserve for contingencies which may occur in the course of the fiscal year. This reserve shall be known as the Board Policy Contingency.

The Vice Chancellor of Business Operations and Fiscal Services and the Assistant Vice Chancellor of Fiscal Services shall monitor the reserves so that it maintains a minimum twelve and a half percent (12.5%) balance.

In the event the Board of Trustees determine a need to allocate a portion of the Board Policy Contingency and this reserve becomes less than 12.5%, the Chancellor shall, within 120 days, present a plan to replenish the one-time draw down of the reserve to at least 12.5%. This replenishment plan will be discussed through the normal participatory governance process and will include details on the amount required and timeline for replenishing the reserve.

The Board of Trustees must approve utilization of monies from the reserve for contingencies (Board Policy Contingency) by a two-thirds majority vote.

**Responsible Manager:** Assistant Vice Chancellor of Fiscal Services

**Revised:**
- November 2, 2015 (Previously AR 6200)
- August 1, 2016
- April 1, 2019