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**ALLOCATION OF FUNDS WITHIN THE DISTRICT**

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**based on these goals. The available resources to be allocated by this model include the beginning fund balance, plus the following**

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that claimants are allowed to claim and be reimbursed for increased costs related to the reimbursable activities identified. The District has an option to submit actual Mandated Costs claim to the state and record the revenue on a cash basis or receive \$28 per FIES as a block grant. In utilizing the block grant option, the District is able to include the budget in the next budget cycle. (Examples of State Mandated Cost programs: Collective Bargaining, Enrollment Fee Collection and Waivers, Health Fee Elimination, Mandate Reimbursement Process)

- **Interest** - The District maintains cash balances in various accounts which are usually invested through the County.
- **Misc. Student Fees** - The District collects student fees for certain types of payment and record processing. (Examples: web processing fee, non-sufficient fund fee)
- **Land Corporation** - The Mission West Valley Land Corporation provides twenty 25% of the total lease revenue to the District. Forty percent of the amount allocated to the District is allocated to the Unrestricted General Fund to enhance college programs. The balance is allocated to the Restricted General Fund as follows: 18% to the District and split 50% to each campus. Upon request from the District and approval from Land Corporation, additional one-time funds may be provided to the District to temporarily mitigate shortfalls and allow time for the District to plan for budget reductions.
- **Student Material Fees** - The student material fees have offsetting expenditures and are not a part of the allocation process. (Examples: Art supplies and science materials)

## **STEPS FOR ALLOCATING UNRESTRICTED GENERAL FUND RESOURCES:**

### **STEP ONE: Allocation of reserve and assigned/ non-spendable fund balance**

- The first consideration for allocation is that 5% of the total unrestricted general fund expenditures be set aside (District Administrative Procedure (AP) 6305).
- The prior year contingency reserve ending balance needs to be set aside for unanticipated changes in the new fiscal year:
- Prepaids (Advance payments for multi-year contracts)
- Barked Leave Liability
- Student Material Fees
- Faculty Travel and Conference





- **Fund one time costs in the current or new fiscal year; as approved by District Council**
- **Carry-over balance for special projects and purchases**
  - **75% of the college fund balance will be transferred to the District's contingency reserve except for funds required to implement a capital project, major equipment purchase, or special need. Such articulated college fund balance program proposals must be submitted in writing to the Vice Chancellor of Administrative Services no later than October 1. Only programs approved by the Chancellor will be funded from college year end balances**

**SHORTFALL:**

- **In the likelihood that a shortfall occurs at the colleges due to unexpected**

**District. During the course of the year; revenues and expenditures may be more or less than the amounts budgeted.**

**The District establishes the allocation amounts for expenditures based on projected revenues. Funds are allocated in a manner that is consistent with the annual budget priorities. The adoption of the Final Budget by the Board results in spending authorization as identified in the supporting detail documents of the Final Budget.**

**The Budget is used to control or limit the expenditure of funds by major expenditure codes defined by the Budget and Accounting Manual. Education Code Section 81010 provides that the Board of Governors periodically assess the financial condition of West Valley Mission Community College District. This assessment includes a comparison of budget to actual amounts. Once a budget is adopted, the total designated for each major expenditure classification is the maximum expenditure allowed. Pursuant to Title 5 Section 58307, any budget transfers between major classifications, or from reserves, must be authorized by the governing board.**

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#### **FUNDS ARE GROUPED BY THE MAJOR SERVICE OR GROUP OF SERVICE**

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**West Valley Mission Community College District uses three fund groups to report its operations. The groups are the Governmental Funds Group, the Fiduciary Funds Group, and the Proprietary Funds Group.**

**This budget provides information about the District's sources of revenue and details the anticipated revenues by major category. Due to the requirements of fund accounting this report follows a format that provides information by fund. The majority of the report focuses on the Unrestricted General Fund because it is the primary fund of the District.**