

### **C.01.04.01 Annual Operating Budget Procedure**

Responsible Department: VC Finance and Administration

Based on Board Policy: [C.01.04](#) Budget

Approved: 8-18-09

Last Amended: 11-2-16, 11-9-19, 4-21-25



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#### **Institutional Reserve**

Each year the District shall designate an amount to be budgeted in a contingency account (the Institutional Reserve), to reasonably provide for unforeseen demands. The initial amount shall not exceed 0.25% (¼ of one percent) of the approved annual current unrestricted operating budget. In addition to this initial amount, during the fiscal year the Chancellor may allocate a percentage of unexpended salary residuals from vacant positions to the Institutional Reserve and to the colleges. The Chancellor or delegate shall have the authority to approve reallocations of the Institutional Reserve.

No funds shall be expended directly from this account.

#### **Preventive Maintenance Set Aside**

Funds shall be set aside annually to fund preventive maintenance projects in accordance with Procedure [C.02.03.01](#). Unspent funds may be carried over for inclusion in the subsequent annual budget.

*Legal Reference - TACC Policy Reference Manual*

CAAA(LEGAL) - State and Federal Revenue Sources: State

CAAB(LEGAL) - State and Federal Revenue Sources: Federal

CC(LEGAL) - Annual Operating Budget