



# SACRAMENTO CITY UNIFIED SCHOOL DISTRICT BOARD OF EDUCATION

Agenda Item 10.1d

**Meeting Date:** February 15, 2018

**Subject:** Approve Resolution No. 2984: Approve Temporary Interfund Transfers of Special or Restricted Fund Monies

- Information Item Only
- Approval on Consent Agenda
- Conference (for discussion only)
- Conference/First Reading (Action Anticipated: \_\_\_\_\_)
- Conference/Action
- Action
- Public Hearing

**Division:** Business Services

**Recommendation:** Approve Resolution No. 2984, To Establish Temporary Interfund Transfers of Special or Restricted Fund Monies, and rescind prior Resolution No. 2923, Effective February 15, 2018.

**Background/Rationale:** As a result of the budget challenges facing the State of California, the Governor has proposed delays in funding to California schools from June to July, creating a potential cash flow shortage for this district. In prior years, the district has opted to issue Tax and Revenue Anticipation Notes (TRAN) as a form of external borrowing to cover any potential shortfalls in a timely manner. The current financial market makes this form of borrowing a more costly option for the district, and not recommended at this point.

Education Code Section 42603 allows the district to engage in internal borrowings between any fund. This option may be used in addition to the issuance of a TRAN. Monies may be temporarily transferred to another fund for payment of obligations. The transferred amounts shall not be available for appropriation or considered income to the borrowing fund and shall be repaid in the same fiscal year or in the following fiscal year if the transfer occurs within the final 120 calendar days of the fiscal year. Borrowing shall occur only when the receiving fund will earn sufficient income in the current fiscal year to repay the amount transferred, and no more than 75 percent of the maximum of monies held in any fund during a current fiscal year may be transferred.

**Financial Considerations:** Provides flexibility to ensure sufficient cash flow.

**LCAP Goal(s):** Family and Community Empowerment; Operational Excellence

**Documents Attached:**

1. Resolution No. 2984, To Establish Temporary Interfund Transfers of Special or Restricted Fund Monies

**Estimated Time:** N/A

**Submitted by:** Gerardo Castillo, CPA, Chief Business Officer

**Approved by:** Jorge A. Aguilar, Superintendent

**SACRAMENTO CITY UNIFIED SCHOOL DISTRICT  
BOARD OF EDUCATION**

**RESOLUTION NO. 2984**

**Approve Temporary Interfund Transfers of Special or Restricted Fund Monies**

**WHEREAS**, the governing board of any school district may direct that monies held in any fund or account may be temporarily transferred to another fund or account of the district for payment of obligations as authorized by Education Code Section 42603; and

**WHEREAS**, the transfer shall be accounted for as temporary borrowing between funds or accounts and shall not be available for appropriation or be considered income to the borrowing fund or account; and

**WHEREAS**, amounts transferred shall be repaid either in the same fiscal year, or in the following fiscal year if the transfer takes place within the final 120 calendar days of a fiscal year;

**BE IT RESOLVED AND ORDERED** that the Sacramento City Unified School District Board of Education, in accordance with the provisions of Education Code section 42603, adopts the following authorization for fiscal year 2017-18 to temporarily transfer monies between funds provided that all transfers are approved by the Superintendent or designee.

**PASSED AND ADOPTED** by the Sacramento City Unified School District Board of Education on this 15<sup>th</sup> day of February, 2018, by the following vote:

AYES: \_\_\_\_\_  
NOES: \_\_\_\_\_  
ABSTAIN: \_\_\_\_\_  
ABSENT: \_\_\_\_\_

\_\_\_\_\_  
Jessie Ryan  
President of the Board of Education

ATTESTED TO:

\_\_\_\_\_  
Jorge A. Aguilar  
Secretary of the Board of Education