SACRAMENTO CITY UNIFIED SCHOOL DISTRICT
BOARD OF EDUCATION

Agenda Item 10.1f

Meeting Date: February 16, 2017

Subject: Approve Resolution No. 2923: 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. 2923, To Establish Temporary Interfund Transfers of Special or Restricted Fund Monies, and rescind prior Resolution No. 2755, Effective February 16, 2017.

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. Moneys 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 moneys 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. 2923, 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: José L. Banda, Superintendent

SACRAMENTO CITY UNIFIED SCHOOL DISTRICT
BOARD OF EDUCATION

RESOLUTION NO. 2923

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 2016-17 to temporarily transfer moneys 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 16th day of February, 2017, by the following vote:

AYES: ____
NOES: ____
ABSTAIN: ____
ABSENT: ____

_____
Jay Hansen
President of the Board of Education

ATTESTED TO:

_____
José L. Banda
Secretary of the Board of Education