



“OUR CHILDREN – OUR FUTURE”

## **Ravenswood City School District Business Office**

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Stephanie Fitch, Vice President  
Marielena Gaona-Mendoza, Clerk  
Ana Maria Pulido, Member  
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Ms. Gina Sudaria  
Interim Superintendent

**Date:** April 18, 2019

**To:** Honorable Board of Trustees

**From:** Ms. Gina Sudaria, Interim Superintendent

**Re:** Consideration to approve Resolution # 1258 - Resolution for Temporary Interfund Transfer (Loan) at Year End

### **QUICK SUMMARY/ABSTRACT:**

It is not anticipated that temporary interfund borrowing will be required at the end of the 2018-19 fiscal year, but passing Resolution # 1258 provides the District with the ability to Interfund borrow if necessary.

Temporary interfund borrowings are subject to certain limitations:

Shall be repaid in the same year, or in the following year if borrowing takes place within 120 days of the fiscal year end

- No more than 75% of money held in any fund during the current fiscal year may be transferred
- Borrowing fund must earn enough income during the current fiscal year to repay the amount transferred

Building funds are included in this provision unless the Bond language specifically prohibits borrowing.

### **RATIONALE:**

The San Mateo County Controller's Office requires that all district funds must have a positive cash balance by year-end. Education Code Section 42603 (below) allows temporary transfers of monies between funds for payment of obligations. However, a resolution authorizing these transfers must be passed by the District Governing Board no later than June 30 of the fiscal year when the loan is needed.

### **Education Code 42603**

The governing board of any school district may direct that moneys held in any fund or account may be temporarily transferred to another fund or account of the district for payment of obligations. 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. 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. Borrowing shall occur only when the fund or account receiving the money will earn sufficient income, during the current fiscal year, to repay the amount transferred. No more than 75

percent of the maximum of moneys held in any fund or account during a current fiscal year may be transferred.

**FINANCIAL IMPACT:**

There is no fiscal impact to the District

**RECOMMENDATION:**

It is recommended that the Board of Trustees approve Resolution#1258, Temporary Interfund Borrowing.