

Business Services Memorandum

Cash Flow Bridge Loan
July 14, 2020

Education Code Section 42620 authorizes the Stanislaus County to make temporary transfers of funds to school districts that are experiencing cash shortages. This memorandum includes the form that districts need to complete to request a Cash Flow Bridge Loan (CFBL) loan from the County of Stanislaus as well as a sample resolution. Once the district receives approval from Stanislaus County Office of Education, the county auditor will allow the district to have a negative cash balance in the general fund. The County of Stanislaus will apply “negative interest” to the fund at the County’s current interest rate. There are no additional charges for this service.

The information for the justification and the maximum amount that the district can borrow is based on the district’s July 1 adopted budget. The loan is effective through the first Monday in April, however, completion of the Addendum to the Note request will allow the note to be paid once the principal apportionment has been paid, even if in the subsequent fiscal year.

Attached to this memo is (download this memo to open in Adobe, to open the left navigation click on the arrow, then select the paperclip icon to access the attachment):

- Sample resolution in MS WORD format

Please forward your original signed CFBL request form and approved board resolution to Julie Betschart, SCOE Business Services. Our office will then process for the County Superintendent of Schools signature.

Once the Stanislaus County Superintendent of Schools approves the District’s CFBL, Julie Betschart will send the approved original CFBL request form back to the District.

We recommend that districts add the CFBL request for approval at the final board meeting for the fiscal year or at the same meeting the district budget is adopted.

If you have any questions, please contact Julie Betschart at (209) 238-1937 or jbetschart@stancoe.org.

CASH FLOW BRIDGE LOAN

In accordance with Article XVI, Section 6, of the Constitution of the State of California, and Education Code Section 42620, the _____ School District requests that the sum of _____

(\$ _____) be transferred from funds in the custody of the Treasurer of the County of Stanislaus to the district for meeting the obligations incurred for maintenance purposes for the fiscal year _____ (July 1 through last Monday in April only).

PART A - Justification (Source: School District Adopted Budget SACS Form 01, Page 1, Column F)

1. Total Expenditures & Other Outgo (Objects 1000-7000). \$ _____
 2. Less: Capital Outlay (Objects 6000). _____
 3. Less: Total Other Outgo (Objects 7000). _____
 4. Total Items 2 & 3. \$ _____
 5. Current Operating Expenditures (Item 1, less Item 4). \$ _____
- =====

PART B - Maximum Amount Which Can Be Borrowed

1. School District Maximum Secured Tax Limitation
(Adopted Budget SACS Form 01, Page 4, Column F, Object 8041).. . . . \$ _____
2. 75% of Item 1 (85% may be requested later provided County
funds are available). Must not exceed Item 5, Part A or
85% of Item 1, Part B. \$ _____
3. Pursuant to the attached Addendum. \$ _____

DISTRICT _____

Date

Clerk or Authorized Agent

SCOTT KUYKENDALL

Stanislaus County Superintendent of
Schools

Date

Stanislaus County
Superintendent of Schools

APPROVED:

JULIE BETSCHART

Sr. Director External Business Services

Date

Sr. Director External Business
Services

Distribution:

District to submit signed original form to the Stanislaus County Office of Education for transmittal to the Board of Supervisors for approval.

CASH FLOW BRIDGE LOAN REQUEST ADDENDUM

This addendum serves to amend the underlying contract for the **2020-21** Tax Anticipation Note from a fiscal year base (July 1 through the last Monday in April) to “Amounts accrued for the fiscal year through the date the principal apportionment for the fiscal year is paid in cash”. This contract is further amended to reflect the Maximum amount which can be borrowed to “not exceed 85 percent of the amount of money which will accrue to the school district or county school service fund during the fiscal year”.

District _____	_____	_____
	Date	Clerk or Authorized Agent

SCOTT KUYKENDALL

Stanislaus County Superintendent of
Schools

Date

Stanislaus County
Superintendent of Schools

APPROVED:

JULIE BETSCHART

Sr. Director External
Business Services

Date

Sr. Director External Business
Services