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File ID Number	19-1510
Introduction Date	8/28/2019
Enactment Number	19-1323
Enactment Date	8/28/19 os



Memo

TO Board of Education

FROM Kyla Johnson-Trammell, Superintendent
Luz Cazares, Consultant CFO

BOARD MEETING DATE August 28, 2019

SUBJECT TEMPORARY INTERFUND TRANSFERS – Fiscal Year 2019-2020

ACTION REQUESTED Adoption by Board of Education of Resolution No. 1920-0003 to establish temporary interfund transfers of funds for Fiscal Year 2019-2020.

BACKGROUND The cash flow of revenues during a fiscal year does not always match the cash flow of expenditures during that year. This creates cash shortages in some months and in some funds, while other funds have excess cash. Education Code Section 42603 provides that the governing board of any school district may direct those moneys held in any fund or account to be temporarily transferred to another fund or account of the district for payment of obligations. This action allows the District to meet the cash needs of each fund, within legal parameters.

Further analysis of the District's cash flow projections shows cash fluctuations throughout the fiscal year that could temporarily lead to insufficient amounts of cash for the Adult Ed, Early Childhood and Nutrition Services programs. This is due to the cost reimbursement nature of certain Federal and State contracts.

DISCUSSION The resolution should give staff the authority to temporarily transfer cash between funds (interfund borrowing) and allow staff to continue to effectively manage cash flows.

RECOMMENDATION Adoption by Board of Education of Resolution No. 1920-0003 requesting for Temporary Interfund Transfers for Fiscal Year 2019-2020.

ATTACHMENTS

- Resolution No. 1920-0003

**RESOLUTION OF BOARD OF EDUCATION
OF THE
OAKLAND UNIFIED SCHOOL DISTRICT
RESOLUTION NO. 1920-0003
RESOLUTION TO ESTABLISH TEMPORARY INTERFUND TRANSFERS FOR FISCAL YEAR
2019-2020**

WHEREAS, the receipt of revenues during the fiscal year does not always match the disbursement of expenses, especially with the cost reimbursement nature of certain Federal and State contracts and the State's deferral of payments owed to school districts; and

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

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

WHEREAS, such 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; and

WHEREAS, no more than 75 percent of the maximum of moneys held in any fund or account during a current fiscal year may be transferred; 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,

NOW, THEREFORE, BE IT RESOLVED that the Governing Board of the Oakland Unified School District, in accordance with the provisions of Education Code Section 42603, hereby specifically authorizes the temporary transfer of funds for the current fiscal year as needed for cash-flow purposes among eligible funds of the District; and

BE IT FURTHER RESOLVED that said borrowed funds shall be and are hereby authorized to be repaid as funds become available pursuant to the requirements of Education Code Section 42603.

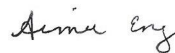
Passed by the following vote:

PREFERENTIAL AYE: None
PREFERENTIAL NOE: None
PREFERENTIAL ABSTENTION: None
PREFERENTIAL RECUSE: None
AYES: James Harris, Jumoke Hinton-Hodge, Gary Yee, Shanthi Gonzales, Vice President Jody London, President Aimee Eng
NOES: None
ABSTAINED: None
RECUSE: None
ABSENT: Student Director Garibo, Student Director Smith Dahl, Toseann Torres

CERTIFICATION

We hereby certify that the foregoing is a full, true and correct copy of a Resolution passed at a Regular Meeting of the Board of Education of the Oakland Unified School District held on 28th Day of August, 2019.

OAKLAND UNIFIED SCHOOL DISTRICT



Aimee Eng
President, Board of Education



Kyla Johnson-Trammell
Superintendent and Secretary, Board of Education

Resolution No. 1920-0003

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