

Board Office Use: Legislative File Info.	
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Introduction Date	6-13-12 9/27/12
Enactment Number	12-2447
Enactment Date	9-27-12



OAKLAND UNIFIED
SCHOOL DISTRICT

Community Schools, Thriving Students

Memo

To Board of Education

From Tony Smith, Superintendent
Vernon Hal, Deputy Superintendent, Business and Operations *VH*

Board Meeting Date September 27, 2012

Subject TEMPORARY BORROWING BETWEEN FUNDS – FISCAL YEAR 2012-13

Action Requested Adoption by Board of Education of Resolution No. 1213-0027 – Requesting for Temporary Borrowing between funds for Fiscal Year 2012-13.

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 42603 provides that the governing board of any school district may direct those moneys held in any fund or account may be temporarily transferred to another fund or account of the district for payment of obligations. This tool allows the District to meet the cash needs of each fund, within legal parameters.

The Board already approved a temporary transfer from the Building Fund (Fund 21) to the General Fund (Resolution No. 1213-0019). Further analysis of the District's cash flow projections show cash fluctuations throughout the fiscal year that could lead to temporary insufficient amounts of cash for the Adult Ed, Early Childhood and Nutrition Services programs. This is due to State deferral of cash and 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. 1213-0027 - Requesting for Temporary Borrowing between funds for Fiscal Year 2012-13.

Attachments Resolution No. 1213-0027

**RESOLUTION OF BOARD OF EDUCATION
OF THE
OAKLAND UNIFIED SCHOOL DISTRICT
Resolution No. 1213-0027**

Temporary Borrowing between Funds for Fiscal Year 2012-13

WHEREAS, the receipt of revenues during the fiscal year does not always match the disbursement of expenses, especially with recent changes in funding for federal programs and the State's deferral of payments owed to school districts; and

WHEREAS, Education Code Section 42603 permits the Governing Board of any school district to 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; and

WHEREAS, such borrowed funds 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 for fiscal year 2012-13 the temporarily transfer of funds 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 AND ADOPTED by the Governing Bard of the Oakland Unified School District on September 27, 2012, by the following vote:

AYES: David Kakishiba, Christopher Dobbins, Alice Spearman,
Vice President Jumoke Hinton Hodge and President Jody London

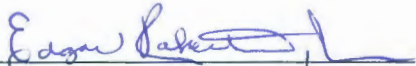
NOES: None

ABSTAINED: None

ABSENT: Gary Yee and Noel Gallo

CERTIFICATION:

I, Edgar Rakestraw, Secretary of the Governing Board of the Oakland Unified School District, Alameda County, State of California, do hereby certify that the foregoing Resolution was duly approved and adopted by the Governing Board of said District at a meeting thereof held on September 27, 2012 with a copy of such Resolution being on file in the Office of the Governing Board of said District.


Edgar Rakestraw, Jr.
Secretary, Board of Education
Oakland Unified School District
Alameda County, California

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