

Board Office Use: Legislative File Info.	
File ID Number	17-1545
Introduction Date	8/23/2017
Enactment Number	17-1193
Enactment Date	8/23/17 <i>o/s</i>



OAKLAND UNIFIED  
SCHOOL DISTRICT

Community Schools, Thriving Students

# Memo

**TO** Board of Education

**FROM** Kyla Johnson-Trammell, Superintendent  
Vernon Hal, Deputy Superintendent, Senior Business Officer *VH*  
Gloria Gamblin, Interim Chief Financial Officer

**BOARD MEETING DATE** August 23, 2017

**SUBJECT** TEMPORARY BORROWING BETWEEN FUNDS – Fiscal Year 2017-2018

**ACTION REQUESTED** Adoption by Board of Education of Resolution No. 1718-0018 requesting for Temporary Borrowing between funds for Fiscal Year 2017-2018.

**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.

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 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. 1718-0018 - Requesting for Temporary Borrowing between funds for Fiscal Year 2017-2018.

**ATTACHMENTS**

- Resolution No. 1718-0018

**RESOLUTION OF BOARD OF EDUCATION  
OF THE  
OAKLAND UNIFIED SCHOOL DISTRICT  
RESOLUTION NO. 1718-0018**

**TEMPORARY BORROWING BETWEEN FUNDS FOR FISCAL YEAR 2017-2018**

**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**, 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 2017-2018 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 Board of the Oakland Unified School District on August 23, 2017, by the following vote:

**AYES:** Roseann Torres, Aimee Eng, Jumoke Hinton Hodge, Jody London, Vice President Nina Senn, President James Harris

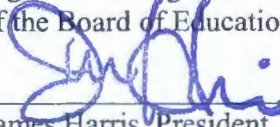
**NOES:** None

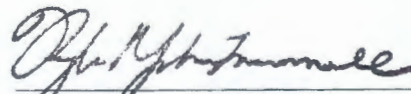
**ABSTAINED:** None

**ABSENT:** Shanathi Gonzales

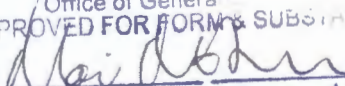
**CERTIFICATION**

We, James Harris and Kyla Johnson-Trammell, President and Secretary of the Board of Education of the Oakland Unified School District, respectively, do hereby certify that the foregoing Resolution was duly approved and adopted by the Board of Education of said District at a Regular Meeting held on the 23<sup>rd</sup> Day of August, 2017 with a copy of the Resolution being on file in the Office of the Board of Education of the District.

By:   
James Harris, President  
Board of Education

  
Kyla Johnson-Trammell, Superintendent  
And Secretary, Board of Education

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OAKLAND UNIFIED S...  
Office of Genera...  
APPROVED FOR FORM & SUBSTANTIAL...  
By:   
Attorney at Law