

Board Office Use: Legislative File Info.	
File ID Number	21-1682
Introduction Date	8/11/2021
Enactment Number	21-1297
Enactment Date	8/11/2021 lf



Board Cover Memorandum

To Board of Education

From Kyla Johnson-Trammell, Superintendent
Lisa Grant-Dawson, Chief Business Officer
Ryan Nguyen, Controller

Board Meeting Date August 11, 2021

Subject TEMPORARY BORROWING BETWEEN FUNDS – Fiscal Year 2021-2022

Ask of the Board Adoption by Board of Education of Resolution No. 2021-0256 requesting for Temporary Borrowing between funds for Fiscal Year 2021-2022.

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. 2021-0256 requesting for Temporary Borrowing between funds for Fiscal Year 2021-2022.

Attachment(s)

- Resolution No. 2021-0256

**RESOLUTION OF BOARD OF EDUCATION
OF THE
OAKLAND UNIFIED SCHOOL DISTRICT
RESOLUTION NO. 2021-0256
TEMPORARY BORROWING BETWEEN FUNDS FOR FISCAL YEAR 2021-2022**

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 2021-2022 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 by the following vote:

PREFERENTIAL AYE: None

PREFERENTIAL NOE: None

PREFERENTIAL ABSTENTION: None

PREFERENTIAL RECUSE: None

AYES: Aimee Eng, VanCedric Williams, Gary Yee, Mike Hutchinson, Clifford Thompson,
Vice President Benjamin "Sam" Davis, and President Shanthi Gonzales

NOES: None

ABSTAINED: None

RECUSE: None

ABSENT: Samantha Pal (Student Director) and Natalie Gallegos Chavez (Student Director)

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 11th Day of August, 2021.

OAKLAND UNIFIED SCHOOL DISTRICT



Shanthi Gonzales
President, Board of Education



Kyla Johnson-Trammell
Superintendent and Secretary, Board of Education

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