

Policy 3110: Transfer Of Funds

Status: DRAFT

Original Adopted Date: 11/27/2012 | Last Revised Date: 05/18/2021 | Last Reviewed Date: 05/18/2021

The Governing Board recognizes its responsibility to monitor the district's fiscal practices to ensure accountability regarding the expenditure of public funds and compliance with legal requirements.

The total amount budgeted by the district for each major classification of expenditures, as listed in the California Department of Education's budget forms, shall be the maximum amount which the district may expend for that classification for the school year. (Education Code 42600)

However, when it is in the best interest of the district, the Board may:

1. At any time, adopt a written resolution providing for transfers from the designated fund balance or the unappropriated fund balance to any expenditure classification or between classifications. The resolution shall be filed with the County Superintendent of Schools and the County Auditor. (Education Code 42600)
2. Direct the temporary transfer of monies held in any district fund or account to another fund or account as necessary for the payment of obligations. 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. No more than 75 percent of the maximum amount held in any fund or account during the current fiscal year may be transferred. Amounts transferred shall be repaid 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. (Education Code 42603)

~~For the 2020-21 and 2021-22 fiscal years only, if the state defers any payments owed to districts, the Board may direct the temporary transfer of up to 85 percent of the maximum amount held in any fund or account during the current fiscal year for the payment of obligations. 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. Prior to exercising this authority, the Board shall hold a public hearing and adopt a resolution authorizing such transfer. (Education Code 42603.1)~~
~~(Education Code 42603)~~

3. At the close of a school year, request that the County Superintendent make transfers between the designated fund balance or the unappropriated fund balance and any expenditure classification(s), or balance any expenditure classifications of the district budget as necessary for the payment of obligations incurred during that school year. (Education Code 42601)
4. If any special reserve funds that are maintained for capital outlay or other purposes pursuant to Education Code 42842 are not actually encumbered for ongoing expenses, transfer those monies into the general fund for the general operating purposes of the district. If any monies remain in the special reserve fund at the conclusion of a project, the Board may submit a written request to the County Superintendent, Auditor, and Treasurer to discontinue the special reserve fund and transfer those monies to the district's general fund. (Education Code 42841-42843)
5. Transfer monies between other funds or accounts when authorized by law.

Policy Reference Disclaimer: These references are not intended to be part of the policy itself, nor do they indicate the basis or authority for the board to enact this policy. Instead, they are provided as additional resources for those interested in the subject matter of the policy.

State References

Ed. Code 16095
Ed. Code 41301
Ed. Code 42125

Description

Transfer of district funds to district state school building fund - <https://simbli.eboardsolutions.com/SU/DckNjgplus9tDnTa0uS0C6Kdw==>
Section A state school fund allocation schedule
Designated and unappropriated fund balances

| | |
|----------------------------|---|
| Ed. Code 42238-42251 | Apportionments to districts |
| Ed. Code 42238.01-42238.07 | Local control funding formula |
| Ed. Code 42600 | District budget limitation on expenditure |
| Ed. Code 42601 | Transfers between funds to permit payment of obligations at close of year |
| Ed. Code 42603 | Transfer of monies held in any fund or account to another fund; repayment |
| Ed. Code 42840-42843 | Special reserve fund |
| Ed. Code 5200 | Districts governed by boards of education |
| Ed. Code 52616.4 | Expenditures from adult education fund |
| Ed. Code 78 | Definition, governing board |

Management Resources References

CA Department of Education Publication
 Website
 Website
 Website

Description

California School Accounting Manual
 California Department of Education - <https://simbli.eboardsolutions.com/SU/os2jq5DcA2RawmY2VZ5FZQ==>
 CSBA - <https://simbli.eboardsolutions.com/SU/W3QxkK2FPsDsQBnMIENxGg==>
 Fiscal Crisis and Management Assistance Team - <https://simbli.eboardsolutions.com/SU/1KDBnxplus9GCiDTyFvbLOOxQ==>

Cross References

0460
 0460
 3000
 3100
 3100
 3300
 3350
 3400
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 3460
 3551
 3551

Description

Local Control And Accountability Plan - <https://simbli.eboardsolutions.com/SU/Oa8UxEDuhq6BH2zsd274XA==>
 Local Control And Accountability Plan - <https://simbli.eboardsolutions.com/SU/8eaD94eHfiVAA8KyIGL0hw==>
 Concepts And Roles - <https://simbli.eboardsolutions.com/SU/esslshvk4e9OagAbIEwiPdF8A==>
 Budget - <https://simbli.eboardsolutions.com/SU/LAXsliS005BXIXyCf1Nf6A==>
 Budget - <https://simbli.eboardsolutions.com/SU/0Em4vjDpAKIGfnem14N1VA==>
 Expenditures And Purchases - <https://simbli.eboardsolutions.com/SU/yYy1CH64rE6t4GfplusXglZzA==>
 Travel Expenses - <https://simbli.eboardsolutions.com/SU/ZYplusyJCYOxFmpQbIDJoBQUA==>
 Management Of District Assets/Accounts - <https://simbli.eboardsolutions.com/SU/lquTQBiyMztolslshn5MKew7w==>
 Management Of District Assets/Accounts - <https://simbli.eboardsolutions.com/SU/8TrCdaxJyMGDCoGDI8wO9g==>
 Financial Reports And Accountability - <https://simbli.eboardsolutions.com/SU/ZZKplusS3He9zslshfzmUKeOe4slshQ==>
 Financial Reports And Accountability - <https://simbli.eboardsolutions.com/SU/EDhz2slshx8M6pXjb8mDp6slshRw==>
 Food Service Operations/Cafeteria Fund - <https://simbli.eboardsolutions.com/SU/feOBwF29EWP3R67R3tA3wg==>
 Food Service Operations/Cafeteria Fund - <https://simbli.eboardsolutions.com/SU/1c07dPkG8pslshipcj0cwWpg==>