

## **Business and Non-instructional Operations**

### **Transfer Of Funds**

Transfers may be made from the designated fund balance or the unappropriated fund balance to any expenditure classification or between expenditure classifications by the Governing Board on adoption of a resolution by a majority vote.

The resolution must be approved by the County Superintendent of Schools and filed with the county auditor. (Education Code 42600)

### **End-of-the-Year Procedures**

At the close of the school year, the County Superintendent of Schools may, with the consent of the Board, identify and make transfers between the designated fund balance or the unappropriated fund balance and any expenditure classification(s) or balance any budget expenditure classifications as necessary to permit the payment of obligations incurred by the district during that school year. (Education Code 41301, 42601)

### **Temporary Transfers Between Classifications**

The Board may direct that monies held in any fund or account may be temporarily transferred from one or more of these accounts to another fund or account to be used for the payment of obligations of the district, with limitations as set by Education Code 42603. The transfer shall be accounted for as temporary borrowing and shall not be available for appropriation or be considered income to the borrowing fund or account. (Education Code 42603)

### **Special Reserve Funds**

Upon resolution of the Board, a special reserve fund may be established for such purpose(s) as specified in the resolution. A copy of the resolution shall be filed with the County Superintendent of Schools, as well as the county auditor and treasurer. As necessary, the Board may amend the resolution to specify additional purposes or to withdraw any previously designated purpose. (Education Code 42841)

The Board may expend the money in the special reserve fund for capital outlay for the purpose specified in the resolution. In addition, unless encumbered for ongoing expenses, the Board may expend money in the fund for the general operating purposes of the district. Any money in a special reserve fund that is maintained for purposes other than capital outlay must be transferred into the district's general fund before it is expended. (Education Code 42842)

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**Transfer Of Funds (continued)**

Deferred Maintenance Funds

Funds deposited in the district's deferred maintenance fund may be received from any source and shall only be expended for maintenance purposes as provided for in Education Code 17582(a). (Education Code 17582)

Upon resolution of the Board, excess local funds deposited in the deferred maintenance fund may be transferred to other expenditure classifications when state funds provided pursuant to Education Code 17584 and 17585 are insufficient to fully match the local funds. The resolution shall be approved by a two-thirds vote of the Board and filed with the County Superintendent of Schools and the county auditor. (Education Code 17583)

Legal Reference:

EDUCATION CODE

78 Definition governing board

5200 Districts governed by boards of education

17582 Deferred maintenance fund; establishment; purpose

17583 Deferred maintenance fund; transfer

17584 Budgeting certification deferred maintenance fund; apportionment

17585 Applications for deferred maintenance funding

42125 Designated and unappropriated fund balances

42600 District budget limitation on expenditure

42601 Transfers between funds to permit payment of obligations at close of year

42603 Transfer of monies held in any fund or account to another fund; repayment

42840-42843 Special reserve fund

52616.4 Expenditures from adult education fund

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