

TRANSFER OF FUNDS

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)
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 are maintained for-capital outlay or other purposes 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.

State

Ed. Code 16095: Transfer of district funds to district state school building fund

Ed. Code 41301: Section A state school fund allocation schedule

Ed. Code 42125: 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

Business and Noninstructional Operations

BP 3110 (b)

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Management Resources

CA Department of Education Publication: California School Account Manual

Website: California Department of Education

Website: CSBA

Website: Fiscal Crisis and Management Assistance Team

Policy Adopted: 10/12/2022

ORCUTT UNION SCHOOL DISTRICT
Orcutt, California