

Policy 3110: Transfer Of Funds**Status:** Board Approved 5/17/21**Original Adopted Date:** 07/01/2009 | **Last Revised Date:** 03/01/2021 | **Last Reviewed Date:** 10/01/2013

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)

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**Description**

Ed. Code 16095

Transfer of district funds to district state school building fund - <https://simbli.eboardsolutions.com/SU/DckNjgplus9tDnTa0uS0C6Kdw==>

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

Management Resources References

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

Cross References

0460	Local Control And Accountability Plan - https://simbli.eboardsolutions.com/SU/slshfDWk9wfAe10YSECslshj9O2g==
0460	Local Control And Accountability Plan - https://simbli.eboardsolutions.com/SU/PEslshgQJE4jtXRE8Sml1dzw==
3000	Concepts And Roles - https://simbli.eboardsolutions.com/SU/f0mslshlv9lr5HtGcDplusJAZnoA==
3100	Budget - https://simbli.eboardsolutions.com/SU/u3xJsslshRMdOslshxzy9iCQiVlIQ==
3100	Budget - https://simbli.eboardsolutions.com/SU/16EUxATHeen8r7plusplusLk4KLA==
3300	Expenditures And Purchases - https://simbli.eboardsolutions.com/SU/IraayQuxaKS0hkbS8luV0Q==
3350	Travel Expenses - https://simbli.eboardsolutions.com/SU/Um5pluscL5T9c2nQ6Ufplusqrqbg==
3400	Management Of District Assets/Accounts - https://simbli.eboardsolutions.com/SU/igArhsHApGpS5E2gSafswQ==
3400	Management Of District Assets/Accounts - https://simbli.eboardsolutions.com/SU/rKuslshsE4YzQKcTWIHZOqsRw==
3460	Financial Reports And Accountability - https://simbli.eboardsolutions.com/SU/3s4peOYp95zyQwASU4km1w==
3460	Financial Reports And Accountability - https://simbli.eboardsolutions.com/SU/UcLxyINOKfTKplusKwqWXUtLA==
3470	Debt Issuance And Management - https://simbli.eboardsolutions.com/SU/ORleSE2v1irwWNkUpOllgQ==
3551	Food Service Operations/Cafeteria Fund - https://simbli.eboardsolutions.com/SU/aisVslsh4OOSAbOO07WMI8Wyg==
3551	Food Service Operations/Cafeteria Fund - https://simbli.eboardsolutions.com/SU/vw1wzKbKplus6OhDkGTOEFI1A==