

Fullerton School District

Board Policy

Transfer of Funds between Categories; Amendments

BP 3110

Business and Noninstructional Operations

Board Adopted: April 7, 1987

Revised: December 5, 2017

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 must also be approved by the County Superintendent of Schools and filed with 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 the school year, the County Superintendent may, with the consent of the Board of Trustees previously given, make transfers between designated fund balance or the unappropriated fund balance and any expenditure classification or classifications or balance any expenditure classifications of the District budget as are necessary to permit the payment of obligations of the District incurred during the school year.
4. Specify amounts to be transferred by the county auditor and treasurer from the District's general fund to the special reserve fund during the fiscal year. If any special reserve funds are maintained for purposes other than capital outlay or if monies in the special reserve fund are not actually encumbered for ongoing expenses, the Board may 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, by written request to the County Superintendent, auditor, and treasurer, 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.

Legal Reference:

Education Code

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