

TEMPORARY BORROWING

School districts are allowed to borrow money when cash flow is insufficient for payment of obligations. This section provides districts with options to consider in case of cash flow shortfalls. These options include:

Interfund Borrowings

- Temporary loans between funds using Due To and Due From Accounts

Short-term Borrowings from External Sources

- Temporary Transfer of Funds (TTF) at the County Auditor and Treasurer
- Tax and Revenue Anticipation Notes (TRANS)

Included are instructions and some sample resolutions for your reference.

Interfund Borrowings

Temporary loans using the Due To/Due From accounts must have governing board approval and conform to Education Code section 42603. For your reference, a sample resolution is provided on the next page.

EC 42603. Transfer of special or restricted fund moneys

The governing board of any school district may direct that moneys held in any fund or account may be temporarily transferred to another fund or account of the district for payment of obligations. The transfer shall be accounted for as temporary borrowing between funds or accounts and shall not be available for appropriation or be considered income to the borrowing fund or account. Amounts transferred shall be repaid either 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. 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 of moneys held in any fund or account during a current fiscal year may be transferred.

(Stats.1976, c. 1010, § 2, operative April 30, 1977. Amended by Stats.1977, c. 36, § 177, eff. April 29, 1977, operative April 30, 1977; Stats.1978, c. 434, p. 1509, § 1; Stats.1987, c. 586, § 5.)

9311	Due From Other Funds	(Asset) amount due from another district fund
9611	Due To Other Funds	(Liability) amount due to another district fund

The Due To (9611) in one district fund must equal the Due From (9311) in another district fund or the district general ledger will be out of balance. A recommendation when establishing Due To/Due From accounts is to use sub-accounts. When the posting the repayment, reverse the original entry.

Account	Fund	Resource	Object	Debit	Credit
Due From Other Funds	0100	0000	9311013	\$100,000	
Cash	0100	0000	9110000		\$100,000
Cash	1300	0000	9110000	\$100,000	
Due To Other Funds	1300	0000	9611001		\$100,000

Temporary Transfer of Fund from the County Treasurer

Education Code Section 42620 allows for the county board of supervisors to loan money to school districts when certain conditions exist. Section 6 of Article XVI of the Constitution of the State of California requires that such loans must be made before the last Monday in April. The San Diego County policies regarding the Temporary Transfer of Fund (TTF) are as follows:

1. School districts can borrow up to 85% of the revenue accruing to the district by June 30, 2022. Allowable revenue(s) to leverage are: property taxes, principal apportionment (PA), and/or education protection account (EPA).
2. The loan repayment will be taken from the leverage revenues at the time of distribution to the school district. Therefore, the entire loan will be repaid by June 30, 2022.
3. The County requires 30 days to review the TTF documents when borrowing against PA and/or EPA revenues. As such, the firm deadline for the final documents to be received by SDCOE is **March 15, 2022** for the April (last Monday) drawdown.
4. Districts that are interested in participating in the TTF program must complete and submit the attached four documents:
 - i. TTF Checklist CoSD
 - ii. TTF Resolution
 - iii. TTF Transfer Agreement
 - iv. TTF Transfer Request

Completed documents should be emailed as soon as approved and signed to Maria Soto at msoto@sdcoe.net and Roxanna Travers roxanna.travers@sdcoe.net but no later than the dates listed in item 3 above. Submit the hardcopy of the forms with original signatures to Maria Soto San Diego County Office of Education, Financial Accounting & Reporting, room 608 as soon as possible but no later than the dates listed in item 3 above.

(Sample of TTF Checklist)

San Diego County Office of Education Temporary Transfer of Funds Checklist of Required Forms & Actions

District: _____

Resolution No: _____

Check the revenue type(s) related to the TTF documents:

 Property Taxes Principal Apportionment Education Protection Account

IMPORTANT Please ensure that the current version of the Board Resolution, Temporary Transfer Agreement, and Request for Temporary Transfer of Funds templates have been used by the District before completing the checklist. The documents that should be in use must have an effective date of March 12, 2021. These documents in their current form have been reviewed & approved by the County of San Diego's legal department as such Districts cannot change any of the content that is typed in black font. Upon our review, if any content in black font has been changed the documents will be invalid and returned to the District.

1. Board Resolution

a. Completed all required fields:

- i. Resolution number in header
- ii. Revenue type(s) in header
- iii. District name must match on:
 1. Top – Page 1
 2. Top – Page 3
 3. Bottom – Page 3
- iv. Name of board members – motioned & second (Page 1)
- v. Date of board approved budget (Page 1) must be EQUAL TO or BEFORE the date on Page 3 "**PASSED and ADOPTED**" date
- vi. Check type of budget (Page 1)
- vii. Fiscal year of borrowing filled in (Page 1)
 1. Check revenue type(s) (The same types must be checked in vii, viii, xi, & xiii)
 2. Estimated Annual amount(s) filled in for each revenue type(s) checked
 3. Check Annual total amount is calculated properly
- viii. PRIOR fiscal year filled in (Page 1)
 1. Check revenue type(s) (The same types must be checked in vii, viii, xi, & xiii)
 2. Amount(s) filled in for each revenue type(s) checked
 3. Check total amount is calculated properly
- ix. Year for last Monday in April (Page 2)
- x. 85% not to exceed amount – confirm amount is calculated correctly & must be greater than or equal to amount on **Request for TTF** form (Page 2)

- xi. Check revenue type(s) (Page 2 section 1 - the same types must be checked in vii, viii, xi, & xiii)
 - xii. Fiscal year of borrowing (Page 2)
 - xiii. Check revenue type(s) (Page 2 section 3 - the same types must be checked in vii, viii, xi, & xiii)
 - xiv. "**PASSED and ADOPTED**" date is EQUAL TO or AFTER the date of board approved budget date (Page 3)
 - xv. Vote shows majority AYES
 - xvi. Name of Board Clerk/Secretary
 - xvii. Verify all the red font instructions have been removed from the document
- b. Sign & date (Page 3)
- i. Signature of Clerk/Secretary of the governing board
 - ii. Date is BEFORE or EQUAL TO date on the **Temporary Transfer Agreement**
- c. Email a copy of the **TTF Resolution** (must be submitted with **Temporary Transfer Agreement**) to msoto@sdcoc.net
- d. Send **TTF Resolution** with original signature (must be submitted with **Temporary Transfer Agreement**):
- San Diego County Office of Education
6401 Linda Vista Rd., Room 608
San Diego, CA 92111
Attention: Maria Soto-Delfin
- e. Must be received at the Auditor & Controller's office:
- i. 15 days before the drawdown of a property tax TTF
 - ii. 30 days before the drawdown of a principal apportionment TTF or EPA

2. Temporary Transfer Agreement

- a. Complete all required fields:
- i. Revenue type(s) in header must match the revenue types in the **TTF Resolution**
 - ii. "*Made and effective*" date on **Temporary Transfer Agreement** (Page 1) must be EQUAL TO or AFTER the "**PASSED and ADOPTED**" date of the **TTF Resolution** date
 - iii. District name matches
 - Top – Page 1
 - Middle – Page 3
 - End – Page 4
 - iv. RECITALS (Page 1) – Resolution number must match the number on **TTF Resolution**
 - v. Fiscal year of borrowing (Page 1 section 1 & page 2 section 4)

- vi. Check Revenue Type(s) must match the revenue types in the **TTF Resolution**
 - vii. Enter exhibit reference letter (A, B, C, etc.) for necessary documentation for each type of revenue as indicated in table (Page 2 section 1)
 - viii. Enter the date of the last Monday in April in the fiscal year of borrowing
 - ix. District contact information (Page 3 section 5)
 - x. Name & title of signatory is completed – can be CBO or Superintendent
 - xi. Verify all the red font instructions have been removed from the document
- b. Sign & date (Page 4)
- i. Signature of CBO or Superintendent
 - ii. Date of signature must be **EQUAL TO** or **AFTER** the date of the signature on the **Resolution**
- c. Submit with the **TTF Resolution** (item 1.c. & 1.d. above)

3. Request for Temporary Transfer of Funds

- a. Complete all required fields:
- i. District name must match on:
 - 1. Top – Page 1
 - 2. Top – Page 2
 - ii. The actual amount to borrow on the **Request for TTF** must be **LESS THAN** or **EQUAL TO** 85% of the remaining revenues and must not exceed the amount authorized on the **TTF Resolution** (Page 2 section 1)
 - 1. Top – Page 1 must match 3.a.ii.2
 - 2. Top – Page 2 must match 3.a.ii.1
 - iii. Fiscal year of borrowing
 - iv. The “*board approval date*” matches the “*PASSED and ADOPTED*” date on the **TTF Resolution**
 - v. “*Funds needed by this date*” must be **AFTER** the “*PASSED and ADOPTED*” date on **Resolution** and the “*made and effective*” date on the **Temporary Transfer Agreement**
 - 1. Top – Page 1 must match 3.a.v.2
 - 2. Top – Page 2 must match 3.a.v.1
 - 3. Property tax TTF – the drawdown date must be greater than 15 days after the date the Auditor & Controller’s office receives the **Request for TTF**
 - 4. Principal apportionment TTF – the drawdown date must be greater than 30 days after the date the Auditor & Controller’s office receives the **Request for TTF**
 - 5. Education Protection Account TTF- the drawdown date must be greater than 30 days after the date the Auditor & Controller’s office receives the **Request for TTF**

- 6. TTFs are not available in-lieu of participating in the TRAN pool thus drawdown date on Request for TTF cannot be between July to December without prior (written) approval
 - vi. District contact person
 - vii. Contact telephone number
 - viii. Verify all the red font instructions have been removed from the document
- b. Sign & date
 - i. Signature of CBO or Superintendent
 - ii. Date of signature must be **AFTER** the “*PASSED and ADOPTED*” date on the **Resolution** and the **Temporary Transfer Agreement** but **BEFORE** the “*funds needed by this date*”
- c. Email a copy of the **Request for TTF** to msoto@sdcoe.net
- d. Send **Request for TTF** with original signature to:

San Diego County Office of Education
 6401 Linda Vista Rd., Room 608
 San Diego, CA 92111
 Attention: Maria Soto-Delfin

4. Required Documentation (For Within-Year TTF or Current-Year TTF)

- a. Current Cashflow
 - i. Verify TTF drawdown
 - ii. Verify TTF repayment
 - iii. If Principal Apportionment TTF, verify amount(s) on cash flow schedule reconciles to the California Department of Education schedules
 - 1. On cash flow schedule for the months February to August, the sum of State Aid Principle Apportionment (PA), PA Sp. Ed (SDUSD, Poway, & Infant), PA Categoricals, PA Recomputations and Adjustments reconciles to the monthly amounts on the CDE schedule ‘PA by Month’ tab
 - iv. If Education Protection Account TTF, verify amount on cash flow schedule reconciles to the California Department of Education schedules
- b. If Principal Apportionment TTF, provide the ‘California Department of Education Certification of the 20XX-XX First Principal Apportionment Monthly Payment Schedule Summary’
- c. If Education Protection Account TTF, provide the ‘Education Protection Account Entitlement and ...Principal Apportionment Payment Calculator 20XX-XX Fiscal Year’

**RESOLUTION (i ENTER RESO #)
(ii ENTER REVENUE TYPE(S))**

RESOLUTION OF GOVERNING BOARD OF (iii ENTER NAME OF DISTRICT) DISTRICT
REQUESTING TEMPORARY TRANSFER OF FUNDS

On motion of member (iv ENTER NAME), seconded by member (iv ENTER NAME) the following resolution is adopted:

WHEREAS, the California Constitution, Article XVI, Section 6 and Education Code section 42620 or 85220 provide that the Treasurer of the County of San Diego (Treasurer) shall have the power and it shall be his duty to make such temporary transfer from the funds in his custody as may be necessary to provide funds for meeting the obligations incurred for maintenance purposes by any district whose funds are in his custody and are paid out solely through his office; such temporary transfer of funds shall be made only upon resolution adopted by the governing board of the County to make such temporary transfer; such temporary transfer of funds shall not exceed 85% of anticipated revenue accruing to the District, shall not be made prior to the first day of the fiscal year nor after the last Monday in April of the current fiscal year, and shall be replaced from the revenues accruing to such District before any other obligation of the District; and

WHEREAS, on (v ENTER MONTH, DAY, YEAR), the governing board will/has:
(vi CHECK ONE BUDGET TYPE BELOW)

- _____ Adopt(ed) a tentative budget (community college only)
- _____ Adopt(ed) a final budget (community college only)
- _____ Adopt(ed) an original budget (K-12 school district only)
- _____ Adopt(ed) a revised budget (community college or K-12 school district)

for this District for the fiscal year 20__ - __ (vii ENTER FISCAL YEAR IN WHICH THE TTF WILL BE MADE) pursuant to the provisions of Education Code sections 42127 or 70901, and the revenue type(s) accruing to the District for said fiscal year are estimated to be as follows:

<u>Revenue Type(s)</u>	<u>Estimated Amount(s)</u>
_____ Property Taxes	\$ _____
_____ Principal Apportionment(s)	\$ _____
_____ Education Protection Account	\$ _____
	\$ _____ Total

and

WHEREAS, the revenue type(s) and amount(s) accrued to this District during the 20__ - __ (viii ENTER PRIOR FISCAL YEAR) fiscal year were as follows:

<u>Revenue Type(s)</u>	<u>Amount(s)</u>
_____ Property Taxes	\$ _____
_____ Principal Apportionment(s)	\$ _____
_____ Education Protection Account	\$ _____
	\$ _____ Total

and

WHEREAS, it is necessary to provide funds for meeting obligations incurred for maintenance purposes by this District; AND NOW THEREFORE

RESOLUTION (i ENTER RESO #)
(ii ENTER REVENUE TYPE(S))

IT IS RESOLVED AND ORDERED pursuant to the provisions of the California Constitution, Article XVI, Section 6, and Education Code section 42620 or 85220 as follows:

1. The Board of Supervisors of the County of San Diego is requested to direct the Treasurer to make a temporary transfer from the funds in his custody on or before the last Monday in April, 20__ **(ix ENTER FISCAL YEAR IN WHICH THE TEMPORARY TRANSFER OF FUNDS WILL BE MADE.)** to this District to meet obligations incurred for maintenance purposes in the amount of \$**(x ENTER NOT TO EXCEED AMOUNT TO BORROW)**, which does not exceed a total of 85% of remaining:

Revenue Type(s)
(xi CHECK REVENUE TYPE(S) BELOW)
 _____ Property Taxes
 _____ Principal Apportionment(s)
 _____ Education Protection Account

accruing to the District by June 30, 20__ **(xii ENTER THE FISCAL YEAR IN WHICH THE TEMPORARY TRANSFER OF FUNDS WILL TAKE PLACE.)**, as certified by the District Superintendent and verified by the County Auditor and Controller.

2. Funds will be transferred to this District by the Treasurer in sums as requested by the District Superintendent and certified by him/her to be necessary to provide funds for meeting the obligations incurred for maintenance purposes by the District not to exceed the maximum amount herein specified, provided the Treasurer determines that funds in his custody are available for such transfers.
3. Repayment of the funds is anticipated to be made from the:

Revenue Type(s)
(xiii CHECK REVENUE TYPE(S) BELOW)
 _____ Property Taxes
 _____ Principal Apportionment(s)
 _____ Education Protection Account

accruing to the District, however the District recognizes that the source of repayment may be from other revenues accruing to the District before any other obligation. Interest on any transferred funds will accrue and be payable by the District, at the greater of the same interest rate the County of San Diego Investment Pool is earning or a proxy TRAN cost as determined by the market until the entire amount transferred is repaid. Each month, the appropriate interest rate to be used will be identified, and the resulting calculated interest will be charged.

4. The Clerk/Secretary of this Board is directed to file a copy of this resolution with the Board of Supervisors, the County Superintendent of Schools, the County Auditor and Controller, and the County Treasurer-Tax Collector.
5. Authorize the District Superintendent or designee to sign a Temporary Transfer Agreement consistent with the terms of this Resolution.

**RESOLUTION (i ENTER RESO #)
(ii ENTER REVENUE TYPE(S))**

PASSED AND ADOPTED by the Governing Board of the (iii ENTER NAME OF DISTRICT) District, County of San Diego, State of California, this (xiv ENTER DAY) day of (xiv ENTER MONTH), 20(xiv ENTER YEAR) by the following vote:

(xv BOARD ACTION MUST SHOW MAJORITY AYES)

AYES:

NOES:

ABSENT:

STATE OF CALIFORNIA
COUNTY OF SAN DIEGO

I, (xvi ENTER NAME), Clerk/Secretary of the Governing Board of the (iii ENTER NAME OF DISTRICT) District, County of San Diego, State of California, do hereby certify that the foregoing is a true copy of a resolution adopted by said Board at a meeting thereof, at the time and by the vote therein stated, which original resolution is on file in the office of said Board.

_____ Date _____ Clerk/Secretary of the Governing Board

(xvii BLACK FONT CONTENT CANNOT BE CHANGED. IF ANY BLACK FONT CONTENT HAS BEEN CHANGED, THE DOCUMENT WILL BE INVALIDATED. ALL RED FONT INSTRUCTIONS-INCLUDING THIS ONE-MUST BE REMOVED FROM THIS DOCUMENT BEFORE IT WILL BE ACCEPTED.)

TEMPORARY TRANSFER AGREEMENT (i ENTER REVENUE TYPE(S))

This Temporary Transfer Agreement (Agreement) is made and effective this (ii ENTER DAY) day of (ii ENTER MONTH), 20(ii ENTER YEAR), by and between the County of San Diego, California (County) and (iii ENTER NAME OF SCHOOL DISTRICT) (District).

RECITALS

WHEREAS, by Resolution No. (iv ENTER THE RESOLUTION #) of its Board of Trustees (attached as Exhibit A), the District has requested the Board of Supervisors to make a temporary transfer (Transfer) of monies to meet its current maintenance expenses; and

WHEREAS, California Constitution Article XVI, Section 6, provides that the County Treasurer (Treasurer) shall have the power and the duty to authorize temporary transfers of monies upon the resolution of the Board of Supervisors authorizing such temporary transfer; and

WHEREAS, the Board of Supervisors by Administrative Ordinance Section 119.1 et seq. (Ordinance) has authorized and directed the Auditor and Controller and the County Treasurer-Tax Collector to make the Transfer to the District in accordance with the terms of the Ordinance; and

WHEREAS, this Agreement represents the agreement of the County and the District with respect to the Treasurer’s authorization of the Transfer and its repayment by the District.

AGREEMENT

Section 1. **Transfer; Timing.** Upon receipt of the District’s written request, the Treasurer will authorize such Transfer and the Auditor and Controller will transfer to the District, subject to review and approval, the amount requested within 30 days from the District’s Transfer request, provided however, that in no event shall the total amount of all Transfers made in accordance with this Agreement exceed 85% of the remaining revenue type(s), shown below, accruing to the District through June 30, 20(v ENTER THE FISCAL YEAR OF THE BORROWING), prorated as of the date of the written request.

<u>Revenue Type(s)</u>
(vi CHECK REVENUE TYPE(S) BELOW)
_____ Property Taxes
_____ Principal Apportionment(s)
_____ Education Protection Account

The written request must contain the amount requested and documentation must be provided demonstrating that the amount requested is necessary to meet current maintenance expenses. Where indicated in the table below, such documentation shall include detailed cash flows for the applicable period that support maintenance expenses and anticipated revenues. Required supporting documentation by revenue type is also presented in the table below.

TEMPORARY TRANSFER AGREEMENT

(i ENTER REVENUE TYPE(S))

Documentation		
Revenue Type	Description of Documentation Needed	Found in Exhibit
Property Taxes	Not Needed. The necessary documents are compiled by the County of San Diego.	Not Applicable
Principal Apportionment(s)	Cash Flows	(vii ENTER EXHIBIT LETTER HERE)
	Verifiable State documents supporting State allocation(s) including deferred allocation(s).	(vii ENTER EXHIBIT LETTER HERE)
Education Protection Account	Cash Flows	(vii ENTER EXHIBIT LETTER HERE)
	Verifiable State documents supporting State allocation(s).	(vii ENTER EXHIBIT LETTER HERE)

The amount requested must be reviewed and approved by the County Auditor and Controller. An authorized Transfer may be made to the District in one or more installments.

No Transfer shall be made after (viii ENTER THE DATE THAT REPRESENTS THE LAST MONDAY IN APRIL OF THE FISCAL YEAR OF THE BORROWING).

The Transfer will be made from and limited to the County of San Diego Investment Pool (Pool).

Section 2. **Deposit of Transfer.** Any Transfer made by the Treasurer to the District shall be deposited in the District's General Fund (Fund) for the purpose of lending funds to the District to meet its maintenance obligations.

Section 3. **Repayment; Interest.** Repayment of the funds is anticipated to be made from the revenue type(s) identified in Section 1, accruing to the District. However the District recognizes that the source of repayment may be from other revenues accruing to the District before any other obligation. Interest on any transferred funds will accrue and be payable by the District, at the greater of the same interest rate the Pool is earning or a proxy TRAN cost as determined by the market until the entire amount transferred is repaid. Each month, the appropriate interest rate to be used will be identified, and the resulting calculated interest will be charged.

Upon receipt and deposit, the District agrees that the County may immediately transfer the cash from said revenues to the Pool's Fund for the purpose of repaying the "temporary transfer of funds" obligations.

Section 4. **District Covenant.** The District represents and covenants with the County that the District's anticipated revenue for fiscal year 20__-20__ (v ENTER THE FISCAL YEAR OF THE BORROWING), as documented in the attached exhibit referred to in Section 1, represents the District's best estimate of the remaining revenues. The County Auditor and Controller shall review and approve the District's anticipated revenue calculations included in these documents.

TEMPORARY TRANSFER AGREEMENT (i ENTER REVENUE TYPE(S))

Section 5. **Notices.** Any and all notices between the County and the District provided for or permitted under this Agreement or by law shall be in writing and shall be deemed duly given when personally delivered to one of the parties or in lieu of such personal service, when deposited in the United States mail, postage prepaid, addressed to such party at the following address:

If to the County:

Lauren Warrem, Chief Deputy Treasurer County of San Diego Treasurer-Tax Collector 1600 Pacific Highway, Room 101 San Diego, California 92101 619-531-5686 Lauren.Warrem@sdcounty.ca.gov	Brian Ruehle, Deputy Controller County of San Diego Auditor and Controller Department 5530 Overland Avenue, Suite 410 San Diego, California 92123 858-694-2199 Brian.Ruehle@sdcounty.ca.gov
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If to the District:

(ix ENTER CONTACT INFORMATION)

Section 6. **Governing Law, Venue and Entire Agreement.** This Agreement has been negotiated and executed in the State of California and shall be governed by and construed under the laws of the State of California. In the event of any legal action to enforce or interpret this Agreement, the sole and exclusive venue shall be a court of competent jurisdiction located in San Diego, California.

This Agreement constitutes the entire agreement between the County and the District with respect to the Transfer and supersedes any previous agreement(s), negotiations, proposals or understanding, whether written or oral concerning such matter, unless expressly included in this Agreement.

Section 7. **Amendment or Modifications.** No amendment, modification or other alternation of this Agreement shall be valid unless in writing and signed by the parties.

TEMPORARY TRANSFER AGREEMENT

(i ENTER REVENUE TYPE(S))

Section 8. **Severability.** In the event that any provision of this agreement is held to be invalid, void, or illegal by any court of competent jurisdiction, the same shall be deemed severable from the remainder of this Agreement and such invalidity shall in no way affect, impair, or invalidate any other provision contained herein if there is no substantive effect to the services to be rendered to the County by such judicial finding of invalidity.

Section 9. **Counterparts.** This Agreement may be executed in any number of counterparts, each counterpart shall for all purposes be deemed to be an original, and all such counterparts shall together constitute but one and the same Agreement.

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed as of the date first written above.

County of San Diego, California
Treasurer-Tax Collector

Date: _____

By: _____
Chief Deputy Treasurer

APPROVED AS TO FORM AND LEGALITY
Thomas E. Montgomery, County Counsel

Date: _____

By: _____
Senior Deputy

(iii ENTER NAME OF SCHOOL DISTRICT)

Date: _____

By: _____
(x NAME OF AUTHORIZED OFFICIAL)
(x TITLE)

(xi BLACK FONT CONTENT CANNOT BE CHANGED. IF ANY BLACK FONT CONTENT HAS BEEN CHANGED, THE DOCUMENT WILL BE INVALIDATED. ALL RED FONT INSTRUCTIONS-INCLUDING THIS ONE-MUST BE REMOVED FROM THIS DOCUMENT BEFORE IT WILL BE ACCEPTED.)

REQUEST FOR TEMPORARY TRANSFER OF FUNDS

(California Constitution Article XVI Sec. 6)

To: County Auditor and Controller
County Treasurer

From: **(i ENTER NAME OF DISTRICT)**

Request is made for temporary transfer of \$ **(ii ENTER THE AMOUNT TO BORROW)** from funds in the custody of the County Treasurer which are certified to be necessary to provide funds for meeting the obligations incurred for maintenance purposes by the above named District for the **(iii ENTER THE FISCAL YEAR IN WHICH THE TTF WILL TAKE PLACE)** fiscal year pursuant to a resolution of the governing board of the District adopted on **(iv ENTER BOARD APPROVAL DATE)**, pursuant to California Constitution Article XVI, Section 6.

Funds needed by this date: **(v ENTER DATE)**

District contact person: **(vi ENTER CONTACT INFORMATION)**

Telephone number: **(vii ENTER CONTACT INFORMATION)**

I further certify that our District has no monies, including Tax & Revenue Anticipation Notes, invested or held outside of the San Diego Pooled Fund and we have exhausted our ability to borrow funds internally.

Dated: _____

Authorized Signature and Title

AUDITOR'S NOTATION

Request received by County on:

	Property Taxes		%	Principal Apportionment		%	EPA		%	TOTAL
Board approved amount										
85% estimated revenues										
Amount available to be loaned (Lesser of Board or 85% amount)										
Previous amounts loaned			%			%			%	
This loan			%			%			%	
Total loans			%			%			%	
Balance available for future loans										

	Property Taxes		Principal Apportionment(s)	EPA(s)	TOTAL
Remaining property taxes receivable by June 30 (ACAP232A)	Apport #		Remaining principal apportionment(s) receivable	Remaining EPA(s) receivable	
	Dated				
Property Tax(es) loan(s) repaid to date			Principal Apportionment(s) loan(s) repaid to date	EPA(s) loan(s) repaid to date	
Property Tax(es) loan balance(s) outstanding			Principal Apportionment(s) loan balance(s) outstanding	EPA(s) loan balance(s) outstanding	

FAR Approval Date
(Sample of Request for TTF)

REQUEST FOR TEMPORARY TRANSFER OF FUNDS
(California Constitution Article XVI Sec. 6)

Name of district: **(i ENTER NAME OF DISTRICT)**

Funds needed by: **(v ENTER DATE)**

Amount of loan: **(ii ENTER THE AMOUNT TO BORROW)**

CERTIFICATION OF COUNTY TREASURER

To: County Auditor and Controller

From: County Treasurer

Funds are available for transfer to the above named District

Funds are NOT available. Please notify the District.

**** (Check only one box.) ****

Dated: _____

County Treasurer

Tax and Revenue Anticipated Notes (TRANS)

Tax Revenue Anticipation Notes (TRANS) are short-term, interest bearing notes issued by a government agency in anticipation of tax revenues that will be received at a later date. The notes are retired from the tax revenues to which they are related. Many local education agencies issue TRANS for cash flow management purposes every year. Districts within San Diego County have the option of joining a pooled TRANS issuance. If a district is interested in participating, they should contact Roxanna Travers, roxanna.travers@sdcoe.net or their Business Advisor.

TRANS

Frequently Asked Questions

What are TRANS?

TRANS are Tax and Revenue Anticipation Notes, also known as TANS (Tax Anticipation Notes) and RANs (Revenue Anticipation Notes).

Why are TRANS issued?

TRANS are issued by local governments to finance short-term cash flow deficits, which occur due to the irregular receipt of certain taxes and/or revenue and the ongoing requirement for regular disbursements of operating expenses.

What are the benefits of issuing TRANS?

There are two primary benefits of issuing TRANS. First, TRANS are an inexpensive method of financing short-term cash shortfalls. Second, TRANS usually produce additional income through arbitrage earnings.

What is arbitrage?

Arbitrage is a gain, which occurs when the cost of borrowing funds is lower than reinvestment earnings.

How do TRANS produce arbitrage earnings?

TRANS are issued at tax-exempt borrowing rates, which are typically one to two percentage points lower than available reinvestment rates.

Is it legal to earn arbitrage on TRANS?

Yes – Provided the TRANS are issued in accordance with federal tax regulations relating to the sizing and issuance of tax-exempt short-term notes.

How are TRANS issued?

TRANS are permitted under Government Code 53850 and are authorized when the governing body adopts a resolution. Most local governments engage a bond attorney to prepare documentation, and use the services of an investment professional for the placement or underwriting of the notes.



June 8, 2021

To: Business Managers
TRANs Pool Participating Districts

From: Roxanna Travers
Accounting and Data Support Specialist

Re: 2021-22 TRANs Chart of Account Numbers

Financial Accounting will process the 2021-22 TRANs and post the corresponding entries on the PeopleSoft Information System for your transactions.

Participating districts may want to use sub-account numbers to distinguish between the 2020-21 TRANs and the 2021-22 TRANs.

We request that districts complete the following sub-account information and e-mail it to Financial Accounting at finacct@sdcoe.net, Attention: Maria Soto, by **Monday, July 6, 2021**.

Please post the 2021-22 TRANs transactions to the following accounts:

District Name _____

	FUND	RESOURCE	GOAL	FUNCTION	OBJECT	SITE
Cash with Trustee	0100	0000000			9135	
TRANs Payable	0100	0000000			9641	
TRANs Interest Earned	0100	0000000	0000	0000	8660	000
TRANs Expense	0100	0000000	0000	9100	5800	000

(Expense includes Underwriter's Discount, Issuance Cost, Credit Enhancement, and Interest Expense.)

PLEASE SET UP THE ABOVE ACCOUNT NUMBERS ON PEOPLESOFT.

Accounting for TRANS

Entry to post TRANS issuance:

Account	Fund	Resource	Function	Object	Debit	Credit
Cash at Treasury	0100	0000		9110	\$XXX	
Underwriter's Discount	0100	0000	9100	5800	\$XXX	
Cost of Issuance (COI)	0100	0000	9100	5800	\$XXX	
Premium	0100	0000	0000	8660		\$XXX
Principal	0100	0000		9641		\$XXX

Some issues are structure to have any excess at the time of funding to be set aside in an early repayment account:

Account	Fund	Resource	Function	Object	Debit	Credit
Cash with Trustee	0100	0000		9135	\$XXX	

Entry to post at time of debt service payment set aside:

Account	Fund	Resource	Function	Object	Debit	Credit
Cash with Trustee	0100	0000		9135	\$XXX	
Cash at Treasury	0100	0000		9110		\$XXX

Entry to post at time of repayment:

Account	Fund	Resource	Function	Object	Debit	Credit
Interest Expense	0100	0000	9100	5800	\$XXX	
Principal	0100	0000		9641	\$XXX	
Cash with Trustee	0100	0000		9135		\$XXX

Some issues are structure to have any excess at the time of funding to be credited to the COI account:

Account	Fund	Resource	Function	Object	Debit	Credit
COI	0100	0000	9100	5800		\$XXX

Note: Refer to the California School Accounting Manual, Procedure 715