

# **APPORTIONMENT ADVANCES and REDIRECTIONS**

This chapter sets forth information on the policies and procedures for:

## **(a) Emergency Apportionment Advances and Recaptures**

-- and --

## **(b) Apportionment Redirections (Transfers)**

## CHAPTER VIII: APPORTIONMENT ADVANCES AND REDIRECTIONS

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# APPORTIONMENT ADVANCES and RECAPTURES

**STATUTORY CITATION:** RCW 28A.510.250, WAC 392-121-436 through 392-121-443

**PURPOSE:** Provide school districts with procedures for petitioning the Office of Superintendent of Public Instruction for emergency advances of basic education allocations.

This section also provides school districts with information and documentation related to the reporting of earnings received from the investment of temporary cash surpluses resulting from the emergency advance.

OSPI will send a letter after fiscal year close to each school district that has received an emergency advance of apportionment (reference sample letter in this chapter). Districts will then be required to complete the necessary information to report any interest earnings related to the advance. These earnings will then be recaptured through the apportionment process.

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**PETITION FOR EMERGENCY APPORTIONMENT**  
**ADVANCE**

**SAMPLE BOARD RESOLUTION**

RESOLUTION NO. XX-XX

WHEREAS, RCW 28A.510.250 and WAC 392-121-436 provide that any school district may petition the Office of Superintendent of Public Instruction for an emergency advance of its basic education allocation, not to exceed the lesser of 10 percent of the estimated basic education allocation for the period September 1 through June 30, or the highest monthly negative cash and investment balance projected for the period of the advance, AND

WHEREAS, an unforeseen condition in the nature of \_\_\_\_\_ has caused the ABC School District to face an emergency situation, AND

WHEREAS, the ABC School District currently has net cash of \$\_\_\_\_\_ and an investment balance of \$\_\_\_\_\_ with a projected cash flow analysis forecast for each month in the fiscal year as follows:

<u>MONTH</u>	<u>RECEIPTS</u>	<u>DISBURSEMENTS</u>	<u>INVESTMENT BALANCE</u>	<u>NET CASH</u>
September	XXXXXX	XXXXXX	XXXXXX	XXXXXX
October	XXXXXX	XXXXXX	XXXXXX	XXXXXX
November	XXXXXX	XXXXXX	XXXXXX	XXXXXX
December	XXXXXX	XXXXXX	XXXXXX	XXXXXX
January	XXXXXX	XXXXXX	XXXXXX	XXXXXX
February	XXXXXX	XXXXXX	XXXXXX	XXXXXX
March	XXXXXX	XXXXXX	XXXXXX	XXXXXX
April	XXXXXX	XXXXXX	XXXXXX	XXXXXX
May	XXXXXX	XXXXXX	XXXXXX	XXXXXX
June	XXXXXX	XXXXXX	XXXXXX	XXXXXX
July	XXXXXX	XXXXXX	XXXXXX	XXXXXX
August	XXXXXX	XXXXXX	XXXXXX	XXXXXX

WHEREAS, the ABC School District will be in a negative cash flow position at various times during the XXXX-XX school year as shown on the cash flow analysis and forecast shown above, AND

WHEREAS, if the ABC School District does not receive an emergency advance, the district will be on interest-bearing warrants and will be on warrant interest for at least three months from September through June during the school year, AND

WHEREAS, the ABC School District has not and does not plan to have any General Fund cash investments during the months it estimates that it would pay warrant interest except for the emergency advance, AND

WHEREAS, the ABC School District does not have and does not plan to have any General Fund loan from the General Fund to another fund of the school district during the months it estimates that it would pay warrant interest, AND

WHEREAS, the ABC School District does not have and does not plan to issue a revenue anticipation note for the purposes of cash flow;

THEREFORE BE IT RESOLVED, that the Board of Directors of ABC School District No. 123 petitions the Office of Superintendent of Public Instruction for an emergency advance of its basic education apportionment of \_\_\_\_\_.

Adopted by the ABC School District Board of Directors at its regular board meeting held MONTH DAY, YEAR.

\_\_\_\_\_  
Board Chair

\_\_\_\_\_  
Board Member

\_\_\_\_\_  
Board Member

\_\_\_\_\_  
Board Member

\_\_\_\_\_  
Board Member

\_\_\_\_\_  
Attest:

\_\_\_\_\_  
Board Secretary

# SAMPLE OSPI RESPONSE FOR ADVANCE

MONTH DAY, YEAR

\_\_\_\_\_, Superintendent  
ABC School District No. 123  
City, WA 9XXXX

Dear Superintendent:

Your petition for an emergency advance of apportionment has been approved in the amount of \$\_\_\_\_\_, which is the lesser amount from the three categories used for this computation. (Please refer to the *Administrative, Budgeting, and Financial Reporting Handbook for School Districts*.) The advance will be included in your MONTH YEAR apportionment.

Under the provisions of RCW 28A.510.250 and WAC 392-121-442, districts receiving an emergency advance are required to report any earnings received from the investment of temporary cash surpluses resulting from the advance. You will be receiving a letter after the end of the school year asking for this information.

We trust your school district will follow a vigorous program of investment of any cash not needed for immediate disbursement.

Sincerely,

Director  
School Apportionment & Financial Services

cc: Chair  
Board of Directors

Supervisor Apportionment Payments  
School Apportionment

Fiscal Officer  
ESD XXX

**OSPI EMERGENCY APPORTIONMENT ADVANCE CHECKLIST  
FISCAL YEAR 200X-200Y**

SCHOOL DISTRICT/COUNTY \_\_\_\_\_

COUNTY NO./DISTRICT NO. \_\_\_\_\_

ESD NO.: \_\_\_\_\_

CLASS: 1ST ( ) 2ND ( )

**YES**

**NO**

Is the board resolution enclosed? \_\_\_\_\_

Are there any existing or planned general fund RANs? \_\_\_\_\_

Are there any existing or planned general fund loans? \_\_\_\_\_

Is the revenue/expenditure forecast enclosed? \_\_\_\_\_

Is the nature of the unforeseen condition stated? \_\_\_\_\_

Will district be on interest-bearing warrants within two months? \_\_\_\_\_

Will district be on interest-bearing warrants for three months  
from September thru June? \_\_\_\_\_

General fund net cash/investment balance: \$ \_\_\_\_\_

(1) Requested Amount: \$ \_\_\_\_\_

(2) 10 percent of school district's BEA due and apportionable from  
September thru August: \$ \_\_\_\_\_

(3) Highest negative cash balance between resolution and May 31: \$ \_\_\_\_\_

**LESSER OF 1, 2, OR 3 ABOVE:** \$ \_\_\_\_\_

**Less: any redirection (transfer) of apportionment to the  
CPF, DSF or both:** ( \_\_\_\_\_ )

**Amount of emergency apportionment advance approved:** \$ \_\_\_\_\_

**COMMENTS:** \_\_\_\_\_

**REVIEWED BY:** \_\_\_\_\_ **Date** \_\_\_\_\_

School Financial Services

# SAMPLE OSPI RECAPTURE LETTER

MONTH DAY, 200X

Mr. / Ms., Superintendent  
ABC School District No. 123  
City, WA 9XXXX

Dear Superintendent:

Your school district was granted an emergency advance of state apportionment funds by this office during MONTH 20XX. This advance was recaptured as a deduction from the June 20XX apportionment payment made to your district.

Under the provisions of RCW 28A.510.250 and WAC 392-121-442, districts receiving an emergency advance are required to report any earnings received from the investment of temporary cash surpluses resulting from the advance. To meet this requirement, please complete the enclosed statement and return it by MONTH DAY, 20XX, to School Apportionment & Financial Services, Office of Superintendent of Public Instruction.

If you have any questions about reporting investment earnings on the advance of state apportionment funds, please contact School Apportionment & Financial Services at (360) 725-6300.

Sincerely,

Director  
School Apportionment & Financial Services



# APPORTIONMENT REDIRECTIONS (TRANSFERS)

**STATUTORY CITATION:** RCW 28A.150.270, WAC 392-121-445

**PURPOSE:** Provide school districts with samples of a school board resolution and OSPI response to facilitate a transfer (redirection) of apportionment monies from the general fund to the capital projects fund and/or debt service fund.

Any transfer (except those noted below) from the school district's general fund to any other school district fund is considered to be a transfer of apportionment monies and needs OSPI approval. The redirection of apportionment is considered to be such a transfer. A school district board of directors may request approval from OSPI to transfer (redirect) the district's general fund apportionment monies to the district's capital projects fund and/or debt service fund by a properly executed board resolution. Such board resolutions shall specify the reason(s) for the transfer and the dollar amount(s) to be transferred. Once apportionment monies are transferred (redirected) to any school district fund, they subsequently cannot be transferred to the credit of another fund.

**Exceptions:** Transfers that may be made without OSPI approval are transfers from the general fund to the transportation vehicle fund, transfers from the general fund to the debt service fund to meet debt service requirements on bonds issued by the general fund, and transfers of voter approved local funds or federal forest or impact aid funds to any fund.

A school district is not required to submit a separate request to OSPI for approval of an apportionment transfer if (1) the reason(s), month(s) and amount(s) are specifically addressed in the budget hearings and this information is included in the board resolution approving the initial budget.

When apportionment transfer requests are submitted subsequent to the initial budget submission, which requests OSPI approval of general fund apportionment to the capital projects fund and/or the debt service fund, the request must be received by this office on or before the tenth day of the month when the transfer is to begin. After OSPI has approved the transfer, the district contacts the county treasurer to redirect or transfer the monies. Resolutions are to be sent to **School Apportionment & Financial Services, Office of Superintendent of Public Instruction, Old Capitol Building, PO BOX 47200, Olympia, WA 98504-7200.**

If the general fund budget would be out of balance after the transfer of apportionment, by filing a budget extension the school district must revise its general fund budget to the point of being in balance. Resolutions requesting approval for the transfer of a portion of the district's basic education allocation to another fund will not be approved by OSPI if the loss of general fund revenue to the district will result in an out-of-balance general fund budget. A budget extension may also be necessary for the capital projects fund and/or the debt service fund.

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**REQUEST FOR APPORTIONMENT REDIRECTION**

**(SAMPLE BOARD RESOLUTION)**

**ABC SCHOOL DISTRICT NO. \_\_\_\_\_**

**RESOLUTION NUMBER \_\_\_\_\_**

WHEREAS, RCW 28A.150.270 authorizes local districts to direct a portion of their General Fund basic education allocation to the Capital Projects Fund or Debt Service Fund, and

WHEREAS, the ABC School District has a prior committed payment obligation for purchased portable classrooms, and

WHEREAS, the district must meet these mentioned payment obligations.

THEREFORE, BE IT RESOLVED the ABC School District requests School Apportionment & Financial Services at the Office of Superintendent of Public Instruction to approve the transfer of \$xx,xxx of apportionment monies for the month(s) of \_\_\_\_\_, 20XX.

ADOPTED this xxth day of \_\_\_\_\_, 20XX.

ATTEST:

\_\_\_\_\_  
Secretary to the Board

ABC SCHOOL DISTRICT NO. \_\_\_\_\_  
BOARD OF DIRECTORS

\_\_\_\_\_  
Chair

\_\_\_\_\_  
Director

\_\_\_\_\_  
Director

\_\_\_\_\_  
Director

\_\_\_\_\_  
Director

# SAMPLE OSPI RESPONSE FOR REDIRECTION

Month XX, 200X

\_\_\_\_\_, Superintendent  
ABC School District No. \_\_\_\_\_  
123 School District Administration Building  
City/Town, WA 9xxxx-xxxx

Dear Superintendent \_\_\_\_\_:

The petition by the ABC School District to have \$xx,xxx in apportionment funds directed to the capital projects fund in month(s) 20XX is approved.

The procedure for crediting a portion of your basic education allocation in the general fund to the capital projects or debt service funds requires all basic education allocation monies be deposited as revenue in the general fund. The amount to be transferred (redirected) must be treated as an "operating transfer." Accounting journal entries are required to record these operating transfers.

The procedure also requires that the county treasurer transfer the amounts as approved by this agency and reflect such transfers in the county treasurer's monthly report (Form SPI F-197).

In accordance with legal restrictions (RCW 28A.150.270 and WAC 392-121-445), once apportionment monies have been directed to a fund they must be used for such purposes and subsequently cannot be transferred to another fund.

Sincerely,

Director  
School Apportionment & Financial Services  
Office of Superintendent of Public Instruction

\_\_\_\_\_, Chair  
Board of Directors

\_\_\_\_\_, Fiscal Officer  
Appropriate ESD