

Administration, Budgeting and Financial Reporting Guidance (ABFR)

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. 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.

In addition to the board resolution, the school district must provide OSPI with their current budget status report for the General Fund and the applicable budget status report for the Capital Projects Fund and/or the Debt Service Fund. Applicable documents should be sent to Lee Wlazlak, Supervisor School District Budgeting, OSPI: Lee.Wlazlak@k12.wa.us

OSPI's approval of the district's transfer resolution is contingent that the estimated fund balance levels meet the district's minimum fund balance requirements approved by the board of directors. If the general fund budget would be out of balance or below the minimum fund balance requirement set by the board, an F-200 budget extension must be filed by the school district to revise the budget to perfect the minimum fund balance requirement.

OSPI's approval of the district's transfer resolution is contingent that the increased appropriations to the Capital Projects Fund or to the Debt Service Fund are accounted for in the current budget. If the increased appropriations are not accounted for, an F-200 budget extension would need to be filed for the applicable fund to support the increase in budgeted appropriations.

Transfers for the redirection of state apportionment may be made from the General Fund to the Capital Projects Fund and Debt Service Fund as authorized under RCW 28A.150.270 and WAC 392-121-445, subject to the following conditions and requirements:

- The transfer will not result in a negative estimated ending fund balance in the General Fund.
- The district board of directors must execute a resolution authorizing the transfer. However, the district's board adopted budget resolution, if it accurately reflects the desired transfer, may serve as the required resolution.



- Whether the transfer resolution is included in the resolution to adopt the budget or if it is a separate, independent board resolution, a copy must be sent to OSPI to approve the transfer.
- The transfer must specify the justification in detail and the dollar amount to be transferred.
- This resolution must be received by OSPI on or before the tenth of the month in which the transfer is to begin.
- Once apportionment moneys have been credited into the receiving fund by the County Treasurer, the resources cannot be subsequently transferred to the credit of another fund. The term "another fund" is not intended to imply the General Fund. Such resources may be credited back to the General Fund, for its original intended use.
- The redirection of state apportionment is subject to specific use as authorized under WAC 392-121-445.
- Resources committed to a specific purpose cannot be used for another purpose without the district taking the same type of action it employed to previously commit those amounts (GASBS 54 §10.) This includes, but is not limited to, a copy of the amended-use resolution sent to OSPI.
- Apportionment, redirected by board resolution, may be transferred back into the General Fund for its original intended purpose, in accordance with the same requirements which were met to initially authorize the transfer.

After OSPI has approved the redirection of apportionment transfer, the district contacts the county treasurer to redirect or transfer the monies.

A sample board resolution document is illustrated below.

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