

May 5, 2009

TO: School District Administrators
FROM: Division of Administration and Finance
SUBJECT: Temporary Loans

Districts that have made temporary loans from one fund to another for cash flow purposes are reminded that said loans must be repaid by June 25, 2009. The only exception to this rule is for those loans that were made within 90 days prior to June 30.

In some cases, the fund receiving the loan will not be able to repay it. In these circumstances, the temporary loan should be converted to a "permanent transfer" by way of cash transfer.

Districts are urged to review their financial statements (board financial summary), object codes 9310 and 9610, for each fund (especially the cafeteria fund) to verify that they will be in compliance with this law.

If you have any Questions, please call Maxx Garris, District Fiscal Services, at (661) 636-4689.

MG:lsI