

From the CEO...

As school districts, county offices and charter schools embark on what will likely be another challenging fiscal year, we are often asked what are the various aspects of school business that they must focus on in the near term. While there is no standard or universal response because of the unique characteristics of each local educational agency, a few key elements of each LEA budget will require the constant attention of every chief business official, superintendent and board. However the paramount issue among these tasks will be cash management.

Every leadership team must understand at least two basic elements of cash management. The first is simple cash flow including the timing of revenues and expenditures. In these times of one-time and permanent cash deferrals and changes in apportionment schedules, almost every LEA will experience periods of negative cash flow. This occurs when the cash needed to pay regular and ongoing expenses exceeds available cash resources in all funds. Cash flow management issues have been a standard operating procedure in school districts for many years, and while they have been exacerbated by the current economic downturn and the recent apportionment deferral process, they are not particularly unique. The Education Code allows LEAs to borrow cash internally from other funds, the county office or county government, or by obtaining short-term notes called Tax Revenue Anticipation Notes (TRANS) from private lenders. In most cases, these cash advances must be repaid in the fiscal year they were borrowed, and many LEAs are issuing mid-year TRANS because of the current apportionment deferrals.

The most serious element of cash management is when an LEA becomes cash insolvent. This financial dilemma occurs when the amount of money needed to meet expenses such as monthly payroll exceeds the cash available in the county treasury, and all regular borrowing options have been exhausted. In short, the LEA is out of money, cannot make payroll, and

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Popular Workshops Continue

FCMAT continues to collaborate with the California Association of School Business Officials (CASBO) to provide accounts payable workshops to district, county office, charter school, and community college staff members throughout the state. Presenters include FCMAT Fiscal Intervention Specialist Diane Branham and Chief Administrator of Business Services Julie Auvil from the Tehachapi Unified School District.

The full-day workshops cover technical training for daily accounts payable functions and include an overview of school finance as well as information regarding internal controls, basic bidding, independent contractors, and credit card payments. Four workshops were offered throughout the state in the fall of 2009, and additional annual workshops will be scheduled while demand continues.

Fiscal Procedures Manual Updated

FCMAT, in conjunction with the California County Superintendents Educational Services Association (CCSESA), Business and Administration Steering Committee (BASC) and the School Financial Services Subcommittee (SFSS), has again updated procedures in the 2010 revision of the COE Fiscal Procedures Manual. The manual, first published in January 2005, is updated each year for use by business personnel in county offices of education. Detailed updates are developed by SFSS, with review and final approval provided by BASC. FCMAT Chief Management Analyst Michelle Plumbtree works closely with SFSS and a BASC committee.

The areas updated for 2010 include: Facilities Maintenance (Procedure 3), Procedure for Registering Warrants and Orders (part of Procedure 10), and Debt (Procedure 23). They will be available on the FCMAT Web site during the Annual CCESA Conference, which will be held in Sacramento from February 17 to February 19, 2010.

Newest Addition to FCMAT Boasts Diverse Background

FCMAT's newest employee, Fiscal Intervention Specialist Marisa Ploog, joins the team with 16 years of experience in



accounting and auditing in the private sector and public education.

"I'm glad to be on board," said Ploog "I'm more than excited to be part of the team."

From 2005 to 2009, Ploog served as assistant superintendent/chief business official (CBO) for the Atwater Elementary School District, where she oversaw business services, transportation, maintenance and operations, facilities, technology and food services.

From 2000 to 2005, she contracted as a CBO for the Merced County Office of Education, where she oversaw the direct-service districts of Snelling, Le Grand Elementary Merced River Elementary, El Nido Elementary and Plainsburg Elementary. Upon request, she also provided support services to all districts in the county.

Other duties included acting as backup to the district services manager, developing and implementing the scope and review program for AB1200 and AB2756 transaction reviews, preparing presentations and providing staff development workshops for county districts.

Ploog's private-sector experience in the mid- to late 1990s includes working as a controller for a new home and commercial

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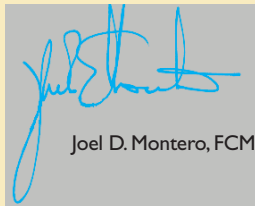
Cash Management

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no other cash resources are available. In this case, the last resort is for the legislature to pass a bill authorizing an emergency appropriation from the state, in common terms an emergency loan and state intervention. This type of loan brings with it, among other things, the loss of the local governance option, the release of the superintendent, and a mandatory plan for a managed fiscal recovery directed by the state.

The best hedge against cash insolvency is sound organizational planning, multiyear projections that are accurate that consistently update budget assumptions, collaboration between the district and the county office of education on all elements of AB 1200 fiscal oversight, and collaboration, understanding, and excellent communication among all the various organizational constituents.

For help with cash management strategies, please do not hesitate to contact the Fiscal Crisis and Management Assistance Team at www.fcmat.org or contact our main office at (661) 636-4611.



Joel D. Montero, FCMAT CEO

Ploog New to FCMAT

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developer, and as staff accountant for a national CPA firm with significant school district and local government audit responsibilities.

She holds a bachelor's degree in business administration with a focus on accounting and maintains an active license as a state Certified Public Accountant.

Fiscal Crisis and Management Assistance Team

Chief Executive Officer
Joel D. Montero

Upcoming Events

Date	Event	Time/Location
Feb. 9	FCMAT ASB workshop	Contra Costa
Feb. 17-19	CCSESA Chief Business Officials Conference	Sacramento
Feb. 23	FCMAT ASB workshop	Modesto
March 9	FCMAT ASB workshop	Wasco
March 13-15	2010 CASTO State Conference	Monterey
March 19	EdSource 2010 forum	Santa Clara
March 23	FCMAT ASB workshop	Redwood City
April 15-19	CASBO 2010 Annual Conference & California School Business Expo	Sacramento

CSIS Provides Valuable Services to Educational Agencies

California School Information Services (CSIS), which is an integral arm of FCMAT, provides local educational agencies with a variety of services. These include:

Direct Certification provides local educational agencies (LEAs) with a free method to complete direct certification of eligibility for free school meals for their students without further application.

Address Validation is a free service that allows LEAs to improve their address quality for CALPADS, direct certification, and postal mailings.

Eligibility in the Local Context (ELC) is a free service that enables LEAs to electronically submit transcripts through FCMAT/CSIS to the University of California Office of the President to determine whether students are UC-eligible through ELC.

Academic Records Transfer allows high schools send transcripts to postsecondary institutions via the CSIS Transcript Center.

Training and support from FCMAT/CSIS helps LEAs understand and use the services listed above. FCMAT/CSIS also assists IBM, the contractor for the California Longitudinal Pupil Achievement Data System (CALPADS), with CALPADS support. Specifically, CSIS staffs the CALPADS Service Desk and provides CALPADS training, including: 1) Four training sessions focused on getting started with CALPADS and completing Fall 1 data, 2) Question and answer sessions, 3) Self-paced training, and 4) Training on specific topics such as data reconciliation. To register for CALPADS training, go to: <http://www.csis.k12.ca.us/e-learning/calpads-registration/>

To access the CALPADS self-paced training sessions, visit:
<http://www.csis.k12.ca.us/e-learning/sp-training/CALPADS/sp-training.asp>

For more information, visit: www.csis.k12.ca.us

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