

From the CEO

Perhaps at no time in FCMAT's history have our services been more relevant or more needed. California's financial situation continues to pose unprecedented challenges for LEAs statewide.

FCMAT's commitment to assisting LEAs remains strong. Innovative Immediate Assistance services have provided increased flexibility and speed of service to clients while reducing costs. A new ASB manual, updated and improved Web-based Budget Explorer software, and expanded professional development workshops also reflect this commitment. We are gratified that all of these have been well received and are producing positive results in the field.

Though economic recovery in late 2010 may provide some relief, further budget cuts at the state level remain a possibility, and continued deferrals of state funding are a reality. This means that LEAs' vigilance in maintaining up-to-date budgets, financial projections and cash flow projections has never been more important. LEAs that practice sound and conservative fiscal management will best weather the current economic turbulence. FCMAT has never been more busy and significantly engaged with our colleagues in the field. We assume that the need for all of our services will continue to increase this year and in subsequent fiscal years.



Joel D. Montero, CEO

FCMAT
FISCAL CRISIS & MANAGEMENT
ASSISTANCE TEAM

CSIS California School Information Services

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New ASB Manual Complete

In September 2009, FCMAT completed a comprehensive revision of the popular *Associated Student Body Accounting Manual & Desk Reference*. This is the third revision since initial publication in 2002. The 2009 ASB Manual has been reorganized and updated throughout, including new chapters on charter schools and booster/parent clubs, and numerous fraud alert sidebars calling attention to areas of ASB financial management where there is an increased possibility of fraud. Community college information has also been added throughout the manual. Printed copies of the new ASB manual are available from FCMAT at a cost of \$30 each, and an electronic version is available as a free download from FCMAT's Web site. FCMAT Chief Management Analyst Michelle Plumbtree and Writer John Lotze are to be commended on this thorough revision.

Charter School Workshops in Demand

FCMAT, in collaboration with the CDE, has begun providing a workshop titled "Charter School Fiscal Management," which covers many aspects of charter school operations, finance and oversight, including budgeting, financial projection and cash flow tools. Presenters at the workshop include FCMAT Chief Management Analyst Michelle Plumbtree, Fiscal Intervention Specialist Jim Cerreta, and Nancy Sullivan and Gary Quiring from CSIS.

Two workshops were conducted in spring 2009 and five more are scheduled in November and December 2009. Attendance has been at capacity, participant reviews are uniformly positive, and demand for this training continues to be high. FCMAT anticipates that it will continue to offer this workshop at locations around the state as long as the demand continues. The fee of \$75 per participant is minimal and includes both lunch and a binder full of valuable materials.

Online Help Desk Inquiries Increase

FCMAT's online Help Desk continues to receive dozens of questions and inquiries each week. Chief Management Analyst Michelle Plumbtree and Fiscal Intervention Specialist Jim Cerreta work closely together to ensure that all questions are answered within 24 hours. The majority of the inquiries focus on ASB governance and fiscal issues, though topics include human resources, accounting/budgeting, purchasing, booster clubs and technology. An increase in inquiries over the past few years indicates an increased need for and awareness of FCMAT's expertise in these areas.

ASB Workshops Continue

FCMAT continues to receive requests for ASB training at the county office and district level. These workshops are tailored to fit each local educational agency's (LEAs) needs, and the presentations are unique in that they include the individual LEAs board policies and local practices. Based on the LEAs need, some of the workshops are for K-12, while others focus specifically on either elementary or secondary schools. For the 2009-10 fiscal year, contracts are in place for four districts and four county offices, with additional workshops still being requested for later in the year.

FCMAT Staff Member Earns Fraud Examiner Certification

FCMAT staff member Jim Cerreta has successfully completed a rigorous year-long training and testing program to practice as a Certified Fraud Examiner. This unique set of skills gives FCMAT the ability to offer clients an added level of expertise and service in this area.

Unfortunately, fraud in the workplace is on the rise with the recent economic downturn, and public schools are no exception. FCMAT has been involved in an increasing number of investigations as local educational agencies suffer from fraudulent activity. The Association

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Budget Explorer 4.0 to Include Cash Flow Module

Under the supervision of Management Analyst Andy Prestage and Deputy Executive Officer Anthony Bridges, FCMAT is in the final stages of beta testing Budget Explorer (BE) version 4.0. This latest version of FCMAT's multiyear financial reporting software will include an automated cash flow module that K-12 school districts can use for multiyear cash flow forecasting. The software has been under development for much of the past year and is scheduled for release in late October 2009, in time for 2009-10 first interim financial reporting.

The cash flow module includes cash flow distribution schedules with the latest reductions and deferrals for revenue

projections from the state. Using a CAT Wizard inquiry approach, the software will prompt the user for specific information such

as the beginning cash balance for July 1 and other tasks to create the cash flow. Below is a screen shot image from the new module:

Cash Flow		2008 / 09		2009 / 10		2010 / 11	
Overview		Jul		Total Actual	Year End Accruals	Total Reconciliation	Variance
Name	Budget	Projected					
Beginning Cash Balance		\$ 0.00					
Receipts							
Revenue Limit Sources	23,574,889.20	779,672.00	23,926,439.00	21,925,097.15	45,851,536.15	22,276,646.95	
Federal Revenues	1,280,352.00	0.00	835,295.00	185,053.70	1,020,348.70	-260,003.30	
Other State Revenues	4,897,485.00	825.00	3,595,004.40	2,089,609.73	5,684,614.13	787,129.13	
Other Local Revenues	969,312.65	17,214.00	900,126.00	843,062.65	1,743,188.65	773,876.00	
Total Receipts	30,722,038.85	\$ 797,711.00	\$29,256,864.40	\$25,042,823.23	\$ 54,299,687.63	\$23,577,648.78	
Disbursements							
Certificated Salaries	14,421,743.00	775,872.00	14,421,740.00	288,434.86	14,710,174.86	-288,431.86	
Classified Salaries	4,459,646.00	215,052.00	4,459,644.00	89,192.92	4,548,836.92	-89,190.92	

Note: Beginning cash balance and general ledger account data must be entered manually. Other components of this new release include a separate module for submitting the AB 1200 disclosure form for collective bargaining and a Fiscal Health and Risk Analysis module using data created from BE.

Fraud Examiner Certification (cont.)

of Certified Fraud Examiners estimates that 5% of all revenues are lost to undetected fraud, and this amount is expected to increase.

Education Code Section 1241.5 authorizes county superintendents to review or audit any school district or charter school in their county if they have reason to believe that fraud, misappropriation of funds, or other illegal fiscal practices have occurred that merit examination. FCMAT is available to assist with such investigations if needed.

Writing Workshops Well Received

FCMAT Writers John Lotze, Leonel Martinez and Laura Haywood have developed training materials in effective written communication and collaborated to present and share their expertise with participants in FCMAT's CBO Mentor Program, CASBO's CBO training program, and at a subcontracting CPA firm. Because of positive feedback and the continuing need for excellent communication skills, this training will become a regular feature of FCMAT's CBO Mentor program.

Upcoming Events

Date	Event	Time/Location
October 21	Accounts Payable Workshop	Sacramento
October 22	Budget Explorer Training	Marin COE
October 23	Accounts Payable Workshop	Clovis
October 25	FCMAT Board Meeting	Long Beach
October 30	Accounts Payable Workshop	Rancho Cucamonga
November 3	Budget Explorer Training	8:30 a.m. - 12:30 p.m., Santa Maria office of the Santa Barbara COE
November 3	ASB Workshops	8:30 a.m. - Noon and 1-4 p.m., Contra Costa COE
November 9	Charter School Fiscal Management Workshop	9 a.m. - 4 p.m. Kern County Superintendent of Schools
November 12-13	CBO Mentor Program Session	Monterey, CA, in conjunction with CASBO Symposium
November 18	Charter School Fiscal Management Workshop	9 a.m. - 4 p.m., Sonoma COE
December 2	Charter School Fiscal Management Workshop	9 a.m. - 4 p.m., Sutter COE
December 11	FCMAT Staff Meeting	Bakersfield
December 16	Charter School Fiscal Management Workshop	9 a.m. - 4 p.m., Stanislaus COE

Demand for FCMAT Studies and Services Remains High

To date in calendar year 2009, FCMAT has completed or has in progress 23 management assistance reviews, six AB 139 reviews and 12 immediate fiscal assistance jobs. FCMAT staff members' schedules remain full several months out as requests for assistance continue at a high rate.

Fiscal Crisis and Management Assistance Team

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