



April 16, 2021

TO: Business and Accounting Administrators
Los Angeles County Community College Districts

FROM: Gabriel Leung, Assistant Director
Accounting and Financial Services
Division of School Financial Services

SUBJECT: Year-End Appropriation Transfers—Community College Districts

DISTRICT ACTION REQUIRED

Community college districts, with approval of the Board of Trustees, may authorize the County Superintendent of Schools (County Office) to make budget transfers at year end to permit payment of obligations at the close of the fiscal year.

This authorization gives the County Office authority to make budget transfers between major expense classifications on behalf of community college districts. The transfers can only be made when there is sufficient surplus in one of the major expense classifications to cover the deficit in others. It does not allow using projected fund balances to cover an overdraft in any of the expense classifications.

Frequently Asked Questions

Question: Why do the final reports still show overdrawn accounts after the college requested the County Office to make appropriation transfers?

- Answer:**
- a. The appropriation transfer covers the overdraft at the major object level only.
 - b. Colleges may have requested re-opening of the district's books after the Division of School Financial Services (SFS) made the appropriation transfer.

Question: Should the college stop making budget transfers after the request for appropriation transfers has been made to the County Office?

Answer: No, the college may continue to revise the operating budget up to the closing of fiscal year 2020-21 as the administration deems appropriate. The appropriation transfers made by SFS are only at the major object level to cover the overdraft at year end after the college has notified SFS their books are closed.

Question: How does it work with the accounts in the financial system?

Answer: SFS will set up a local resource (99995.0, Appropriation Transfer) with applicable accounts for any major object that needs appropriation transfers. All the SFS-initiated appropriation transfers will be done in the above-referenced resource.

Example:

Fund-Object	Appropriation	Expenditure	Surplus/(Deficit)
01.0-1000	\$1,700,000	\$1,900,000	(200,000)
01.0-2000	\$ 800,000	\$ 740,000	60,000
01.0-3000	\$ 700,000	\$ 500,000	200,000
01.0-4000	\$ 80,000	\$ 62,000	18,000
01.0-5000	\$ 95,000	\$ 105,000	(10,000)
01.0-6000	\$ 60,000	\$ 60,000	0
01.0-7000	\$ 14,000	\$ 18,000	(4,000)

SFS will make the following appropriation transfers, if authorized by the college, after the college's books are closed for the fiscal year.

<u>Fund</u>	<u>Res/PrjYr</u>	<u>Categorical</u>	<u>Location</u>	<u>Object</u>	<u>Activity</u>	<u>Amount</u>
01.0	- 99995.0	- 00000	- 00000	- 1000	- 0000000	+ \$200,000
01.0	- 99995.0	- 00000	- 00000	- 2000	- 0000000	- \$ 14,000
01.0	- 99995.0	- 00000	- 00000	- 3000	- 0000000	- \$200,000
01.0	- 99995.0	- 00000	- 00000	- 5000	- 0000000	+ \$ 10,000
01.0	- 99995.0	- 00000	- 00000	- 7000	- 0000000	+ \$ 4,000

Please complete, sign and return the attached authorization form indicating either that the transfer request was approved by the Board of Trustees or that no transfer is requested. The completed form should be returned to SFS Accounting section no later than July 16, 2021. Any questions about appropriation transfers should be directed to the college's assigned SFS accounting staff as noted below:

<u>SFS Staff</u>	<u>Phone</u>	<u>E-mail</u>
Elaine Kawahara	(562) 922-6631	Kawahara_Elaine@lacoedu
Frank Nguyen	(562) 922-6829	Nguyen_Frank@lacoedu
Meilin Ho	(562) 922-6826	Ho_Meilin@lacoedu

Download SFS Bulletins from LACOE Website

This bulletin and its attachment, as can any other SFS bulletin, be downloaded from the LACOE website here:

<http://www.lacoe.edu/Bulletins>

Type in the bulletin number or keyword to find the specific bulletin you need to download.

Questions regarding this bulletin may be addressed to Cynthia Felix at Felix_Cynthia@lacoe.edu, Ivan Tani at Tani_Ivan@lacoe.edu, Peilun Tsai at Tsai_Peilun@lacoe.edu, or Francisco San at (562) 922-6181 or San_Francisco@lacoe.edu.

Approved:
Nkeiruka Benson, Director
Division of School Financial Services

SE:lt
Attachment

SFS-A47-2020-2021



YEAR-END APPROPRIATION TRANSFERS

Community College Districts

TO: Los Angeles County Office of Education
Division of School Financial Services
Accounting Section – EC 2nd Floor

FROM: _____ Community College District

_____ No Appropriation Transfer is Requested

_____ Appropriation Transfers are Authorized

Our Board of Trustees hereby authorizes the County Superintendent of Schools to make appropriate transfers necessary at the close of the 2020-21 school year permitting the payment of obligations of the district incurred during the school year.

Signature _____ Date _____, 2021
Clerk of the Board of Trustees

Submitted by: _____ Date _____, 2021

E-mail Address (required): _____

Please email completed form to SFSAccountingGroup@laoe.edu.

Attachment to:
Info Bul. No. 5360
SFS-A47-2020-2021