

Board of Trustees Douglas County School District

FINANCES

CASH MANAGEMENT AND INTERFUND FINANCING

The Board directs the District to safeguard cash belonging to each fund, identify shortages promptly, and use temporary interfund financing only when lawful, documented, and repayable. A negative cash position requires a reconciliation and corrective plan. An interfund loan does not create revenue, increase an appropriation, or resolve a recurring operating deficit.

Purpose and scope

This policy applies to all District funds, bank accounts, investments, pooled cash, interfund receivables and payables, and proposed advances between funds. The Superintendent shall maintain implementing procedures and present material exceptions to the Board.

Fund ownership and cash controls

The District shall account for each fund's share of pooled cash separately. Staff shall reconcile banks, investments, pooled cash, and interfund balances at least monthly and monitor near-term liquidity more frequently. Each fund's cash, fund balance or net position, legally restricted resources, and appropriations shall be reported as distinct measures. The District shall maintain a rolling cash forecast by major fund and identify payroll, benefit, debt, grant, capital, and other material payment dates.

The District shall separately reconcile final prior-year balances, including 13th-period adjustments, to current-year opening entries. A fiscal-year cash report beginning at zero shall not be treated as evidence that an earlier deficit or interfund obligation was extinguished.

Restrictions on financing

No employee may initiate or characterize a transfer or pooled-cash use as an interfund loan merely because one fund shows a negative cash balance. Before proposing a loan, staff shall identify the actual transaction, assess the source and legal restrictions of the lender's resources, document the lender's obligations and forecast liquidity, and identify the borrower's specific repayment source and date.

Debt service funds and funds dedicated to bonded debt shall not be used for temporary interfund loans. Bond proceeds shall be used only for authorized bond purposes. Food service revenues, grants, capital revenues, insurance and self-insurance reserves, fiduciary resources, and other restricted money require fund-specific legal and program review; the existence of a cash balance alone does not establish lending authority.

Board authorization

Before a temporary interfund loan is made, the Board shall hold the public hearing required by NRS 354.6118 and determine that sufficient unrestricted money is available and that the loan will not compromise the lending fund's economic viability. At the hearing the Board shall establish the

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term, repayment conditions, and interest rate, if any. The authorizing resolution shall identify the lending and borrowing funds, maximum principal, purpose, maturity, repayment source, and interest decision.

Temporary loans shall meet NAC 354.290, including without limitation and subject to applicable law, a written agreement for repayment within one year after the advance, filing of the resolution with the Nevada Department of Taxation, and notice to the Department upon repayment. Enterprise fund transactions shall meet any additional requirements of NRS 354.613 and applicable federal and program restrictions. The Board may impose shorter terms or more stringent limits.

Reporting and corrective action

During fiscal watch, the Superintendent or designee shall provide the Board a monthly report of fund-level cash and forecasts, negative positions, each actual outstanding loan, repayments, maturities, and exceptions. Any projected inability to repay on time, material deterioration of the lender's liquidity, or recurring borrowing need shall be escalated promptly with a corrective operating plan. New borrowing shall not be used to conceal an operating shortfall.

Legal Compliance

This Policy shall be interpreted and administered in a manner consistent with all applicable federal, state, and local laws, regulations, and other legal requirements. Nothing in this Policy shall be construed to require, authorize, or permit the District, its Board of Trustees, or any employee or representative thereof to take any action, or refrain from taking any action, in violation of applicable law. In the event of any conflict between this Policy and applicable law, applicable law shall control, and this Policy shall be construed to the extent reasonably possible to avoid such conflict.

Authority and review

The Superintendent shall review this policy with district counsel and the independent auditor before adoption and periodically thereafter.

Reference: NRS 354.6118, 354.612, 354.613, 354.6215, 354.626; NAC 354.290; 7 CFR 210.14, as applicable.

Date Adopted: TBD