

ADMINISTRATIVE REGULATION

No. 624(a)

Board of Trustees Douglas County School District

FINANCES

CASH RECONCILIATION AND INTERFUND LOAN ADMINISTRATION

This regulation implements the Board policy by establishing the evidence required before an interfund loan, the records for each advance and repayment, and the reconciliation of fund cash across fiscal years. The Chief Financial Officer is responsible for administration and may assign preparation and independent review to separate staff.

1. Daily and monthly cash control

- Record receipts and disbursements to the correct fund and account. Monitor bank and pooled cash daily, with priority for payroll, benefits, debt, and large vendor payments.
- At month-end reconcile each bank and investment account to the ledger; reconcile each fund's equity in pooled cash to the pool total; match due-to and due-from accounts and resolve unmatched items. A preparer and an independent reviewer shall sign and date the reconciliation.
- Investigate each negative fund cash position and record its cause, supporting transaction, expected cure date, owner, and whether an approved loan exists. Do not assign a lender by formula solely to force the schedule to zero.

2. Fiscal-year and 13th-period bridge

For every fund, reconcile June 30 cash, each subsequent prior-year adjustment, final prior-year cash, current-year opening entries, current-year monthly debits and credits, and current-year reported cash. Identify each corresponding interfund receivable or payable. Preserve the journal-entry numbers, dates, descriptions, approvals, and effect on both fiscal years. Obtain Controller review and consult the auditor on unresolved cut-off or classification questions before presenting a definitive year-end position.

3. Rolling forecast and lender eligibility

Prepare a 13-week forecast updated at least weekly for the General Fund, Special Education Fund, and any fund with a negative balance or proposed loan. Maintain a monthly forecast through fiscal year-end for all material funds. Include known receipt dates, PCFP adjustments, payroll and benefits, grant reimbursements, capital commitments, claims, debt service, and the anticipated repayment.

Before recommending any lender, document the legal source and restrictions of its cash, outstanding obligations and encumbrances, planned projects or claims, any required reserve, and its lowest projected cash balance both before and after lending. Obtain counsel and program-administrator review for food service and restricted grants, and counsel and actuarial or claims review for self-insurance funds. Do not propose debt service funds or funds dedicated to bonded debt as temporary lenders.

4. Loan proposal and approval file

The CFO shall prepare a separate file for each lender and borrower pair. The file shall contain the temporary need and alternatives considered; actual and forecast cash; lender viability analysis;

legal restriction review; specific repayment source and schedule; proposed maximum, term and interest; and draft resolution and written agreement. If the need reflects a continuing operating gap or repayment within the required term is unsupported, present a corrective budget and operating plan instead of relying on another short-term advance.

Schedule the NRS 354.6118 public hearing before any advance. Record the Board's findings and terms in the minutes and resolution. File the executed resolution with the Nevada Department of Taxation. Apply any

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additional enterprise-fund or federal restrictions. Staff shall not disburse funds until the required approvals and written agreement are complete.

5. Accounting and transaction register

Post each authorized advance on its actual date with corresponding entries in the lender and borrower; record repayments and any authorized interest separately. Keep the loan separate from revenue, expenditures, and permanent transfers. The loan register shall show the resolution and agreement, each advance, repayment, interest amount, outstanding principal, maturity, and Department filing and repayment-notice dates. Reconcile it monthly to both funds' ledgers and pooled cash. Notify the Department of Taxation when a temporary loan is fully repaid.

6. Exceptions and reporting

The CFO shall report monthly to the Superintendent and Board the verified cash by fund, 13-week low point, loans outstanding and due dates, negative positions without approved financing, and corrective actions with owners and deadlines. Escalate a missed repayment, projected lender impairment, material unreconciled cash difference, or potentially restricted-fund use immediately to the Superintendent, counsel, and auditor, and bring corrective action to the Board as appropriate. Do not backdate an approval or reclassify a prior use as an authorized loan without legal and audit review.

Initial implementation

Reconstruct the FY 2025–26 13th-period to FY 2026–27 bridge and reconcile July and August 2026 for all funds. Verify whether the allocations in the existing deficit tracker correspond to actual entries. Suspend reliance on its forecast loan totals until the roll-forward formulas and blank forecast receipts and payments are corrected. Identify any prior transactions requiring legal or audit remediation separately from prospective Board-approved financing.

Legal Compliance

This Regulation 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 Regulation 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 Regulation and applicable law, applicable law shall control, and this Regulation shall be construed to the extent reasonably possible to avoid such conflict.

Reference: Board Policy #624 - Cash Management and Interfund Financing;

NRS 354.6118, 354.613, 354.6215; NAC 354.290; 7 CFR 210.14, as applicable.

Date Adopted: TBD