



Geneva Community Unit School District 304
227 North Fourth Street
Geneva, IL 60134

Board of Education Report

To: Dr. Kent Mutchler, Superintendent
Board of Education – Finance Committee

From: Dean Romano, Assistant Superintendent – Business Services

Date: Thursday, May 9, 2019

Meeting: Monday, May 13, 2019

Agenda Item:

Interfund Transfers

Item Type:	Consent	Action	Information	Discussion
Recommended Motion:	N/A			
Vision Connection:	Effective Communicators			
Policy Reference (if applicable):	4:10 – FISCAL AND BUSINESS MANAGEMENT			

Background Information:

In preparation for the close of the fiscal year and budget development for the 2019-2020 Annual Budget, the practice of incorporating interfund transfers during the close of the year and within the annual budgeting process has been under review. Two such transfer opportunities have been identified.

The first is an annual transfer of funds from the Operations and Maintenance Fund (O&M Fund) into the Capital Projects Fund. This practice will provide for increased transparency surrounding the intended use of funds and maintain an operational practice for annual expenditures. Through the transfer of funds each year from the O&M Fund into the Capital Projects Fund, funds will be identified for use on capital improvements and repairs to support the Capital Improvement Plan (CIP). It will also provide a clear articulation of fund balance accumulation within the Capital Projects Fund that these funds are for future capital improvements and repairs.

The second opportunity is to update the District's practice of making payments on outstanding technology lease obligations through the Debt Services Fund. This transition is seen as a best practice from an accounting standpoint. This will be accomplished annually through the budget development process and the execution of an interfund transfer.

Over the coming weeks, a final review of the year-end close estimates will be completed. This review will provide the opportunity to identify resources to be transferred into the Capital Projects Fund from this year's

budget rather than those funds falling to operating fund balances. This transfer will support the current and future Capital Improvement Items already identified as well as provide resources to address emergency capital repairs and replacements. A recommendation will be prepared and shared at the May 28, 2019 Board of Education meeting detailing out the following items:

- Recommended amount of transfers into the Capital Projects Fund
- Public Hearing requirements
- Resolution Documents
- Action item request for review and approval by the Board of Education on June 10, 2019

ATTACHMENT(S): N/A
