



Board Agenda Item #	Agenda # II A- Consent Item
Date:	May 9, 2019
To:	Magnolia Board of Directors
From:	Alfredo Rubalcava, CEO & Superintendent
Staff Lead:	Nanie Montijo, Chief Financial Officer; Patrick Ontiveros, General Counsel
RE:	Revision to Board Approved CSH112 Intra-Organization Receivables and Payables (Due to/Due From)

Proposed Board Recommendation

I move that the board approve the proposed revision to CSH112 Intra-Organization Receivables and Payables (Due to/Due From).

Background

Current CSH112 Intra-Organization Receivables and Payables (Due to/Due From) needs to reflect the same terminologies used in the FCMAT manual. This revision is to make CSH112 consistent with the language and terminologies currently being used in the FCMAT Manual.

Budget Implications

No impact on the budget

How Does This Action Relate/Affect/Benefit All MSAs?

Compliance with FCMAT Manual.

Name of Staff Originator:

Nanie Montijo, Chief Financial Officer and Patrick Ontiveros, General Counsel

Attachments

CSH112 Intra-Organization Receivables and Payables (Due to/Due From) -Revised

SOP # CSH112 Revision: 2
Effective Date:9/5/2017

Prepared by: Central Office
Approved by: BOD

Title: CSH112 INTRA-ORGANIZATION RECEIVABLES AND PAYABLES (DUE TO/DUE FROM)

Policy: To ensure that intra-organization transactions between individual charter schools and the central office are processed correctly

Purpose: To outline the practices for intra-organization transactions between individual charter schools and the central office

Scope: This applies to all charter schools operated by the Organization.

Responsibilities:

Chief Financial Officer is responsible for performing the intra-organization transactions with approval from the Board of Directors.

The Finance Department is responsible for alerting Back-office provider regarding intra-organization transactions. Back-office provider is responsible for recording it into the accounting system, and ensuring accuracy of fiscal year-end balances.

Background: Charter schools are highly dependent on government funding to operate. Government cuts and funding deferrals can result in cash shortages for schools. Therefore the need arises to allocate resources from other schools to cover any shortfall. It is necessary to correctly record transactions between the charter schools and the central office in order to properly determine each school's receivable/liability.

Procedure:

1.0 INTRA-ORGANIZATION TRANSACTIONS

1.1 The Chief Financial Officer, with the support of the Finance Department and Back-office provider, monitors cash balances daily for the charter schools. When a charter school realizes a need for funds, the Chief Financial Officer will assess resource levels for the other schools as well as the central office. If the central office does not have sufficient funds to advance to the charter school requestor, at the discretion of the Chief Financial Officer, the Chief Financial Officer may transfer funds from a charter school with surplus funds into the central office. The Chief Financial Officer may then transfer funds to the charter school requestor from the central office. For policy regarding inter-account bank transfers, refer to **CSH108 INTER-ACCOUNT BANK TRANSFERS**.

1.2 At the end of the fiscal year, each school's receivable or payable account will be reconciled in accordance with **G&A105 PERIOD-END REVIEW & CLOSING**. Once balances are reconciled, an agreement is prepared at the end of the fiscal year between each school and the central office to document the amount owed and repayment terms.

Revision History:

Revision	Date	Description of changes	Requested By
0	2/14/13	Initial Release	
1	11/12/15	Revision of responsibilities	Oswaldo Diaz, CFO
2	9/5/2017	Revision to clarify processes and positions	
3	5/9/2019	Revision to use terminologies consistent with FCMAT manual	N. Montijo, CFO