



Board Agenda Item #	III E – Action Item
To:	Magnolia Board of Directors
From:	Alfredo Rubalcaba, CEO & Superintendent
Staff Lead:	Nanie Montijo, CFO
RE:	Use of Reserves to Pay for Chromebooks

Proposed Board Recommendation

I move that the board approve the use of long-term reserve funds (MSA 1, MSA 4, MSA 5, MSA 8, MSA SA) to pay for Chromebooks ordered in June and received in July, 2019.

Background

The schools requested the purchase of Chromebooks on June 20, 2019. The products did not get shipped until July 5-8, 2019. Standard accounting practice that MPS consistently follows is that expenditures are recorded when products are received and/or services are rendered, in accordance with generally accepted accounting principles. These orders received in July, 2019 will now be recorded as FY 2019-20 expenses.

Budget Implications

These expenses are budgeted in FY 2018-19 and is therefore not included in the 2019-20 board approved budgets. Any unused funds from prior year are carried over to the next fiscal year, as the program allows. Staff request that the board approve the use of long-term reserve funds to pay for the expenses listed below.

School	Projected Ending Fund Balance as of May 2019	Cost of Chromebooks	Net Projected Ending Fund Balance
MSA 1	\$ 4,921,433.00	\$ 4,900.00	\$ 4,916,533.00
MSA 4	\$ 872,995.00	\$ 22,477.90	\$ 850,517.10
MSA 5	\$ 1,778,299.00	\$ 9,990.18	\$ 1,768,308.82
MSA 8	\$ 4,250,119.00	\$ 22,477.90	\$ 4,227,641.10
MSA SA	\$ 6,293,508.00	\$ 29,903.47	\$ 6,263,604.53

Name of Staff Originator

Nanie Montijo, CFO