



OFFICE OF BUSINESS SERVICES
MEMORANDUM

To: Dr. Keith Curry, Chief Executive Officer

From: Felipe R Lopez, Chief Business Officer

Date: July 1, 2014

Subject: Cash flow Monitoring Plan

Cash Monitoring Plan Description

The District has established procedures to monitoring cash flow in order to prevent and detect cash shortages that would require alternative financing measures such as a Tax Revenue Anticipation Note (TRAN).

On a weekly basis (every Monday) the Chief Business Officer (CBO) receives a ‘Daily Cash Balance Report’ (LAGL012C). This report provides the current cash balance of each fund for that day. This report is used to monitor the actual cash in each fund on a weekly basis and provides immediate alerts if cash seems unusually low or if a transaction has been posted incorrectly.

On a quarterly basis, the CBO provides the CEO with current cash balance of each fund.

Over the past 2 fiscal years, cash flow monitoring has become an essential process in any Business Office, due primary from the state deferrals. As the State begins to pay down its deferrals, districts including Compton have been able to manage cash flow without alternative financing measures such as a TRAN. In Compton’s 2015 and 2016 Final Budget, the District did not use a TRAN and in the 2017 Final Budget, does not anticipate the use of a TRAN. The District will continue to monitor the cash position on a weekly basis and will prepare a cash flow projection on an annual basis. The District will update its cash flow projection on an as needed basis.

Conclusion

The District’s established procedures to monitoring cash flow will continue in order to prevent and detect cash shortages that would required alternative financing such as a Tax Revenue Anticipation Note (TRAN).