

Business and Operations

Loans to School Districts

Pursuant to Education Code Section 42621, county school districts may borrow funds from the county superintendent of schools office during emergency financial situations. The county superintendent, with the approval of the county board of education, may make temporary transfers to any school district not exceeding 50% of the amount of money accruing to the school district at the time of transfer. Repayment will be made immediately by the district upon receipt of funds sufficient to cover the loan, and no later than the close of the fiscal year in which the loan was made. The county board of education authorizes the superintendent to act on such loans immediately if he determines that an emergency situation exists which cannot be delayed until the next board meeting. Under this emergency procedure, the board will ratify such loans at their next meeting.

This is not a mandatory policy, and the superintendent and board retain the right to refuse loan requests if: 1. It is determined that the transfer of funds would jeopardize the financial position of the county office of education, or 2. The district has repeatedly ignored the advice of the county office in budgetary matters.

Policy:

First Reading: 7/21/87  
Adopted: 9/04/87