

## San Ramon Valley Education Foundation Guidelines to Affiliates for Carryover of Funds

The following are recommendations from the SRVEF Board in response to requests from the affiliates for guidelines regarding carryover funds. Each affiliate funds different needs at their schools so we can't recommend the same formula for each affiliate. Based on our experiences, we provide the following recommendations:

If you fund salaries and/or sections, you need to retain enough funds, at a minimum, to cover any outstanding payables to the district for the current school year. You should know what your commitment was for the year, how much you have paid and the balance due to the district at year end. Remember to account for employee benefits. You can contact the district (Julie Bollenbach 552-2906) if you are unsure of your end of year commitments. You should also carry an additional 5% of total salaries as a cushion if the District makes salary adjustments during the year, the affiliates are expected to cover those additional costs.

**Example: You fund 5 sections at \$20,000 a piece for a total of \$ 100,000. As of May, you have paid 80% of the total for the year \$80,000; you should have a minimum carryover of \$ 20,000 to cover the remaining balance and \$5,000 in contingency in case of District salary changes.**

In addition to the current year, you need to look at the following school year and what you have committed to and the timing of your revenue. A commitment by the affiliate to fund salaries or sections, means that you are committed to paying at least 6 weeks worth of salary, even if you change the commitment later, this is to allow the District to honor its negotiated labor agreements.

**Example: You agree to increase to 6 sections at \$ 20,000 a piece for a total of \$ 120,000 for the year. You would want to have the initial payment \$20,000 available to you in order to meet your initial commitment agreement.**

So, from a salary/section basis, you could be planning to carry over \$ 45,000 (\$20k payable, \$5K contingency and \$ 20k initial commitment)

If you have historically funded other programs or costs that are on a reimbursement basis (Teacher Grants, etc), you should look at what you have committed to and what you have paid out and hold back the difference to ensure that all commitments are met.

**Example: You commit to \$ 10,000 in teacher grants that are reimbursed for actual expenses. To date, you have paid out \$7,500. You would hold \$2,500 in reserve until the date set for pay outs has past.**

You should also review your past history and budget for the following year to determine what operating funds (printing, copying, registration, etc.) you will need to start the following year.

Finally, if you are building funds towards a specific project, which is expected to take more than a year to achieve, those funds should be so earmarked and clearly reported to the Board and your community. They can be held in a separate account and clearly identified to all what their purpose is for and how close you are to reaching your target. These funds should not be identified with the other carryover funds, but for the purpose they are intended: So, based on our examples the carryover and special project funds report would look like:

- \$ 25,000 for current year payables
- \$ 20,000 for next years initial commitment
- \$ 2,500 for current year unreimbursed teacher grants
- \$ 2,000 projected costs for registration
- \$ 5,000 Contingency funds (this could be set by the Board at some prudent level).
- \$54,500 Total carryover funds**
- \$20,000 Technology Project (goal \$ 100,000 to fund Technology lab)
- \$5,000 Library Fund (Restricted funds to expand reading libraries)
- \$25,000 Special project funds**

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### Frequently heard questions or concerns about carryover funds

- Aren't you worried about someone embezzling the funds if we have a large balance? The District and the Education Foundation have worked together to help mitigate embezzlement opportunities, through the institution of additional checks and balances, the District getting more frequent payments, etc.
- Class size reduction hasn't benefited my child; the "extra" funds should be used to fund other priorities. Each year the affiliate and the school community should establish the priorities for funding for that year and use the funds to meet those priorities. If the Board determines that it has had a spectacular fundraising year, then additional priorities could be funded, once all the current and future commitments are covered. The Board also has to be aware of using a one-time windfall on on-going programs.
- I heard that other schools have . . . , why don't we? Each school community is free to establish what are the critical needs to help all students achieve, what works in one school may not fit in another.

### Strategies to help parents understand

- Communication on a regular and on-going basis is key with your community. Your budget and priorities should be open and clear to the entire school. If changes are proposed they should be thoroughly discussed and planned for. You should communicate what you will need to carry over and why, including special project funds and what they are being targeted to.
- Regularly ask your school community for input into what they see as valuable to all the children at the school. Everyone has a pet project or concern, but the affiliate, like all school wide groups needs to make sure they are providing benefit to the most possible.
- Have not only a first tier of priorities but a second tier, so that if you have a windfall you have a starting point. At many schools it is teacher grant opportunities, but each school is different and should plan accordingly.
- In Real Estate, the buzzword is location, location, location. In school funding and support, we believe the key buzzword is communication, communication, communication. Many individuals will not read or look at the information, but if it is regularly provided they will know they had access and are more likely not to take up arms against you.