

Financial Services
Richard H. Hinds, Chief Financial Officer

SUBJECT: REQUEST AUTHORIZATION TO ASSESS A 5% ADMINISTRATIVE FEE AGAINST REVENUES GENERATED FROM INTERNAL FUND ACTIVITIES, EFFECTIVE 2009-10, AND TO ALLOW PRINCIPALS TO TRANSFER UP TO 20% OF AVAILABLE INTERNAL FUND ACCOUNTS BALANCES AT THE END OF FISCAL YEAR 2008-09 AND 15% AT THE END OF EACH SUBSEQUENT FISCAL YEAR BEGINNING 2009-10 TO THE SCHOOL'S GENERAL MISCELLANEOUS ACCOUNT

COMMITTEE: INNOVATION, EFFICIENCY & GOVERNMENTAL RELATIONS

LINK TO DISTRICT STRATEGIC PLAN: IMPROVE FINANCIAL SERVICES

As a result of deteriorating economic conditions and further anticipated state funding reductions, the District has no other alternative than to take measures that have a direct impact on schools.

Beginning with the 2009-10 school year, the District will assess a 5% administrative fee on the receipts of Internal Fund accounts that are not otherwise legally restricted (i.e., sales tax collections, etc.). This assessment parallels the policy initiated during this year, and previously approved by the Board, imposing a 20% fee for 2008-09 only to assist in balancing the General Fund budget. These funds will be used to provide some relief to the District for the administration of the schools' Internal Funds. The established time frame to implement this assessment will allow principals sufficient time to adjust prices to cover the 5% administrative fee, thereby not resulting in a revenue loss to the schools.

If the assessment causes a severe hardship at a school, District/School Operations, after a case by case review, may recommend an assessment reduction. Final decisions will be made by the Chief Financial Officer based on documentation provided by the school and the Regional Center.

To provide increased flexibility at the school site, principals will be authorized to transfer up to 20% for the fiscal year ending on June 30, 2009 and 15% at the end of each subsequent fiscal year beginning 2009-10 of available balances in Internal Fund accounts, except for balances that are legally restricted (i.e., sales tax collections, etc.) to the school's General Miscellaneous account. These transfers will be in lieu of the 15% currently authorized for net profits generated from fundraising activities.

E-3

Funds generated from this transfer can be used for items or services that will benefit the school and the student body in general, in accordance with the Manual of Internal Fund Accounting for Elementary and Secondary Schools, School Board Rule 6Gx13- 3D-1.021.

RECOMMENDED: That The School Board of Miami-Dade County, Florida, authorize the Superintendent to:

1. assess a 5% administrative fee to be remitted to the General Fund on the receipts of Internal Fund accounts, beginning with fiscal year 2009-10, that are not otherwise legally restricted (i.e., sales tax collections, etc.); and
2. authorize principals to transfer up to 20% of available Internal Fund accounts balances at the end of fiscal year 2008-09 and 15% at the end of each subsequent fiscal year beginning 2009-10, except for balances that are legally restricted (i.e., sales tax collections, etc.), to the school's General Miscellaneous account.