

PUTTING STUDENTS FIRST



Tips On How To Prepare A Cash Flow Projection

State Aid Planning and Financial Services
July 2023

Cash Flow Projections

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- Why are They Needed?
 - ▣ To determine the amount of cash that will be available for **investing**
 - Amount available
 - Length of time available
 - ▣ To determine whether **short-term borrowing** will be necessary due to temporary cash deficits
 - Required as part of the borrowing process

Cash Flow Projection

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Projection should include:

- ❑ Actual **beginning balance**
- ❑ Estimated monthly **cash receipts**
 - ❑ Not revenues, cash collections
- ❑ Estimated monthly **cash disbursements**
- ❑ Projected **monthly ending cash balances**

- ❑ Update monthly
- ❑ Recommend projections done for each fund



Tool Available on our Website

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- At sap.questar.org:
 - Under Resources
 - Office/Planning/Budget
 - Budget and Other
 - *Cash Flow Template*
 - You will fill in the opening cash balance, planned cash receipts and cash disbursements
 - Not revenues and expenditures
 - Include loans/collections to/from other funds
- *See next page for example of template*

Cash Flow Projection - Sample

ESTIMATED RECEIPTS		JULY	AUG	SEPT	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUNE	TOTAL
5	Real Property Taxes			400,000	5,000						1,000			406,000
	State Aid	5,000	10,000	50,000						300,000		100,000	50,000	515,000
	Tuition	Limited number of categories							2,000				2,000	9,000
	Short-Term Borrowings													25,000
	Repayment of Advances					20,000							5,000	25,000
	All Other	1,000	500	500	1,200	700	500	1,000	800	900	500	500	1,500	9,600
	Total Estimated Receipts	6,000	40,500	450,500	6,200	20,700	500	1,000	2,800	300,900	1,500	100,500	58,500	989,600
ESTIMATED DISBURSEMENTS														
	Payrolls	20,000	20,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	540,000
	Employee Benefits	10,000	10,000	14,000	14,000	14,000	14,000	14,000	14,000	14,000	14,000	14,000	14,000	160,000
	Debt Service		20,000				40,000						30,000	90,000
	Short-Term Borrowing Repaid	Limited number of categories								25,000				25,000
	Advances to Other Funds							2,000			7,000			29,000
	All Others				100	50	200	700	100	500	200	300	1,000	5,150
	Total Estimated Disbursements	36,500	55,200	74,300	64,100	64,050	104,200	66,700	64,100	89,500	71,200	64,300	95,000	849,150
	Cash Balance Changes	(30,500)	(14,700)	376,200	(57,900)	(43,350)	(103,700)	(65,700)	(61,300)	211,400	(69,700)	36,200	(36,500)	140,450
	Estimated Closing Cash Balance	19,500	4,800	381,000	323,100	279,750	176,050	110,350	49,050	260,450	190,750	226,950	190,450	
	Beginning Cash Balance	50,000												190,450
											Ending Cash Balance 6/30/XY			190,450

Tips on Getting Started

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- ❑ Review actual cash flow from the prior year
 - ❑ Understand how your district collects money/ pays bills
- ❑ Obtain schedule of payroll dates
 - ❑ When will employees be paid?
- ❑ Obtain schedule of warrants/abstracts
 - ❑ Pay accounts payable weekly, semi-monthly?
- ❑ Obtain debt service schedule for the year
- ❑ Revenue & Appropriations Status reports
- ❑ Understand State Aid payment schedule

Estimated Receipts

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- Main sources of cash:
 - ▣ **Real property taxes/STAR**
 - Remember final payment comes in April for many central districts from their county
 - ▣ **State Aid**
 - ▣ **Rentals**
 - ▣ **Reimbursements/cost-sharing**
 - ▣ **Interest**

For State Aid –
Review the payment
schedule that is
published each
October to help you
estimate the timing of
the payments

Available at:
stateaid.nysed.gov/payment/

<https://stateaid.nysed.gov/payment/>

2020-21 School Ag...

NYS
ED

2020-21 Preliminar...

O365

Ravelry: African Flo...

Medicaid NEW

CARES Act

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Contact: [Joshua Staples](#)

Latest News

05-4-2023

Public Pension Accrual Pursuant to Chapter 56 of the Laws of 2022

[Informational Memo to Superintendents](#) (📎 88 MB)

[Application for all Districts except large 5 city School District](#) (📎 93 MB)

05-4-2023

Special Apportionment for Salary Expenditures to accrue to 2022-23 from 2023-24

[Informational Memo to Superintendents](#) (📎 94 KB)

[Application for all Districts except NYC and Yonkers](#) (📎 100 KB)

02-1-2023

[2019-20 General Aid and Excess Cost Aid Final Adjustments](#)

10-12-2022

2022-23 Description of Payment Schedule for General State Aid Payments Combined Fixed and Individualized Payment schedule with a Sustaining Spring Advance.

[2022-23 Payment Schedule Description](#)

Estimated Receipts

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□ Other receipts:

- What comes monthly?
 - Interest
 - Monthly rentals
 - Tuition from individuals
- What comes quarterly/semi-annually?
 - Interest
 - Quarterly/semi-annual rentals
 - Foster care tuition
 - Parentally placed student reimbursements
- What comes annually?
 - CPSE administration reimbursement
 - BOCES refund
 - Interfund transfer
 - NYSMEC Refund

Tip: Spend your time projecting the “bigger” items, less on the little ones....



Estimated Disbursements

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- Main categories of disbursements:
 - ▣ Payrolls
 - ▣ Employee Benefits
 - ▣ Debt Service
 - ▣ Large Equipment Purchases
 - Buses
 - ▣ Interfund Transfers
 - ▣ BOCES Services
 - ▣ Transportation Contracts
 - ▣ Annual Insurance Premium
 - ▣ Utilities



Estimated Disbursements

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Payroll:

□ Understand your payroll schedule

- 10-month staff
- 12-month staff
- Special payrolls
 - Coaches, club advisors, insurance buy-outs
 - “Big” payroll at end of June
- Use Appropriations Status report as a guide
- Budget may be different than actual disbursements



Estimated Disbursements

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Employee Benefits:

Understand when they are paid

TRS – no cash received/paid

ERS – paid either 12/15 or 2/1



Insurance premiums

- Generally monthly

Self-insured plans

- Daily? Weekly?

Payroll related benefits

- Social security, following P/R

Estimated Disbursements

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Debt Service:

- Review debt service schedules

- Bonds

- Twice a year - once interest only, once principal and interest

- BANs

- Once a year – principal and interest, generally

- RANs/TANs

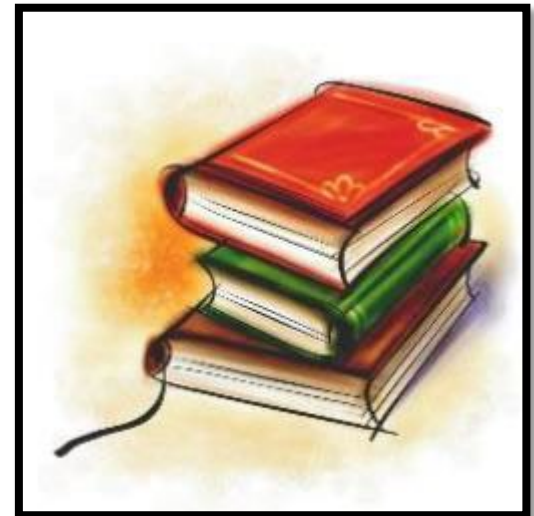
- Based on need



Estimated Disbursements

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- Large Equipment Purchases:
 - ▣ Estimate based on current understanding
 - ▣ Year End Computer purchases – do you normally make them?
- Interfund Transfers:
 - ▣ If you have them in your annual budget, when you do plan on making them?
- BOCES Services
 - ▣ Generally billed 1/10 per month between September and June, but each BOCES may have different payment plan
 - Know what your BOCES does



Estimated Disbursements

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- Transportation Contracts:
 - ▣ Monthly billings?
- Annual Insurance Policies:
 - ▣ July due date?
- Utilities:
 - ▣ Monthly?
 - ▣ NYSMEC? Five times a year.

Estimated Disbursements

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All Others:

- Consider those that relate to school operations
 - Goods needed for September opening may need to be paid in early fall vs. spread out over the year
 - Are there others that will be needed for second semester?



Other Items to Consider

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- Cash loaned to other funds:
 - ▣ Capital project started but debt not issued yet
 - When will debt be issued?
 - ▣ Loans to Food Service Fund
 - ▣ Advances to Special Aid Fund
 - When will FS-10Fs be issued?
 - When will FS-25 be submitted?
- When will short-term borrowing be received? Repaid?
- Current year-end receivables and payables are revenue and expenditures, but not receipts or disbursements for this cash flow
 - ▣ Prior year receivables/payables affect the current cash flow

Tips to Consider

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- Use rounded whole numbers in estimates
- Revise monthly as needed
- Compare totals to budget for reasonableness
- For months that are tight, further review to ensure expenditures will not occur before receipts are collected in that month

If Potentially will Need to Issue RAN

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- Speak with your attorney, in advance
- Local Finance Law §25 – RANs
- Local Finance Law §39 – Resolution Form and Content
- Local Finance Law §51- Term, Form, Content
- The Cash Flow Projection template on our website may assist you

Conclusion

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- ❑ Preparing a cash flow projection can help a district maximize its interest earnings.
- ❑ Preparing a cash flow projection can identify if there is a need to borrow funds during the year and be used to support the issuance of a RAN/TAN.
- ❑ Updating the projection regularly will give you the most accurate information to make timely decisions.

Questions?

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State Aid and Financial Planning Service

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