



STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
300 DON GASPAR
SANTA FE, NEW MEXICO 87501-2786
Telephone (505) 827-5800
www.ped.state.nm.us


HANNA SKANDERA
SECRETARY OF EDUCATION

SUSANA MARTINEZ
GOVERNOR

August 12, 2016

MEMORANDUM

TO: Superintendents, Charter School Representatives and Business Managers

FROM: Hipolito "Paul" Aguilar
Deputy Secretary, Finance & Operations 

RE: 31701 – Permanent Cash Transfer

The Public Education Department (PED) recently created a new fund in order to separate your school districts/charter schools SB-9 state match and local ad-valorem taxes. The new fund is 31701 which was created specifically to budget your SB-9 local ad-valorem taxes. However, all your SB-9 cash balances currently reside in fund 31700. This fund should have no cash and is strictly for SB-9 state match allocations which are disbursed on a reimbursement basis. Therefore, a permanent cash transfer will be required to move all cash from 31700 to 31701. Please note, that pursuant to NMAC 6.20.2.14(F), all permanent cash transfers require local board as well as PED approval. This memorandum is to serve as PED's approval to all school districts and charter schools to process a permanent cash transfer from fund 31700 to 31701 as soon as you have received approval from your local board. This approval is in lieu of submitting a "Cash Transfer Request" form for PED approval. This is a one time, blanket approval to transfer these funds as a result of the creation of the new fund. A copy of this memorandum shall be maintained for your records to produce to your auditors during your annual audit for FY17.

Please note, that the proper journal entries should also be recorded if your school district or charter school anticipates receiving SB-9 state match revenues in FY17 related to expenditures incurred in FY16. The initial entry should be a debit to "Accounts Receivable" and a credit to "Revenue". As soon as the revenue has been received the subsequent journal entry should be a debit to "Cash" and a credit to "Accounts Receivable". It is recommended that your school district or charter school not proceed with a permanent cash transfer until all cash has been received for expenditures incurred in FY16. A revised "PED Cash Report" for FY17 will be forthcoming to include fund 31701.

If you have any questions please feel free to contact Antonio Ortiz of my staff at (505) 827-3863 or Antonio.ortiz1@state.nm.us.

HA/ao

Cc: Antonio Ortiz, Director, Student Services & Transportation Division
David Craig, Director, School Budget & Financial Analysis Bureau
Ameila Saiz, Manager, Audit & Accounting Bureau
School Budget and Financial Analysis Bureau