

Cash is King



Melissa Miavez | Controller | Tatonka Education Services

Tim Kauffman | Management Advisor | CSAFE



Tatonka
EDUCATION SERVICES

Whose in The Audience?



Please participate
:)





Objectives

To understand the basics of cash management, its interaction with the budget, and the types of projects you can accomplish with this powerful tool.



Budgets

- A budget is a projection of revenue and expenses for the year and is accrual-based. This means revenue and expenses are recorded in the time period they belong in not when cash changed hands
- A budget is typically done twice a year unless a significant event has occurred
- Budgets are typically done for one fiscal year at a time
- Budgets must be Board approved



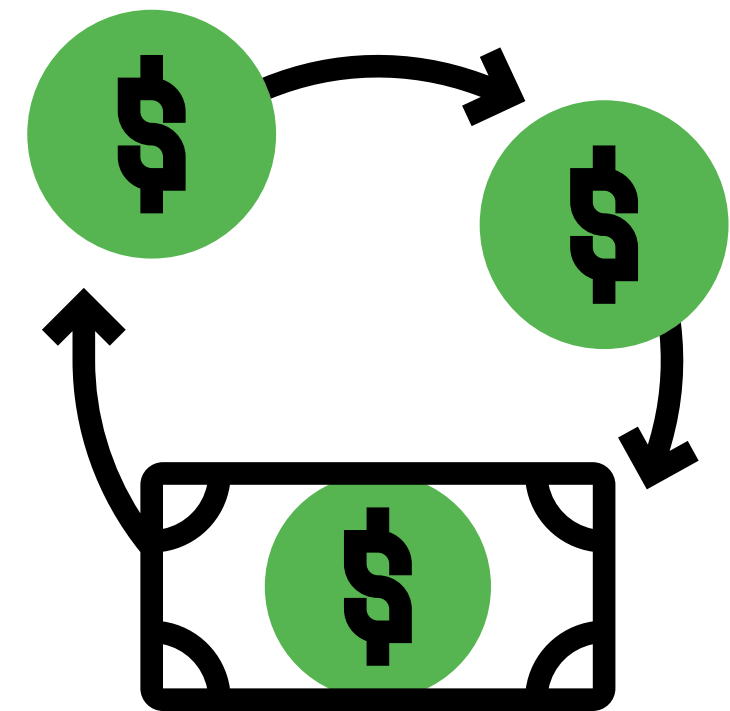
Budgets

- Budgets are public records and can typically be found on the ODE/ADE websites (If you know where to look)
- Budgets are an important tool to ensure a School is being fiscally responsible
- Budgets typically only include revenue and expenses



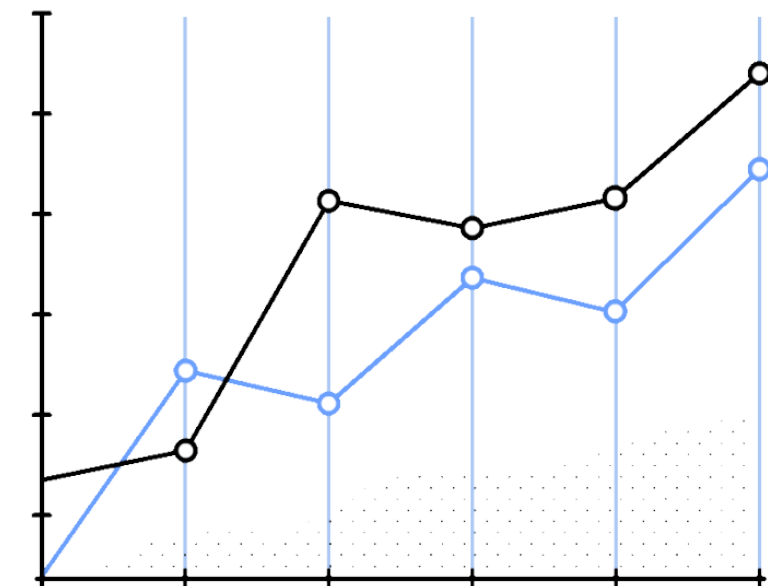
Cash Flow Forecasts

- Cash flow forecasts record revenues and expense as cash changes hands regardless of when it was earned or obligated
- Cash flow forecasts do not need to be Board approved
- Cash flow forecasts can be adjusted as many times as needed when situations change

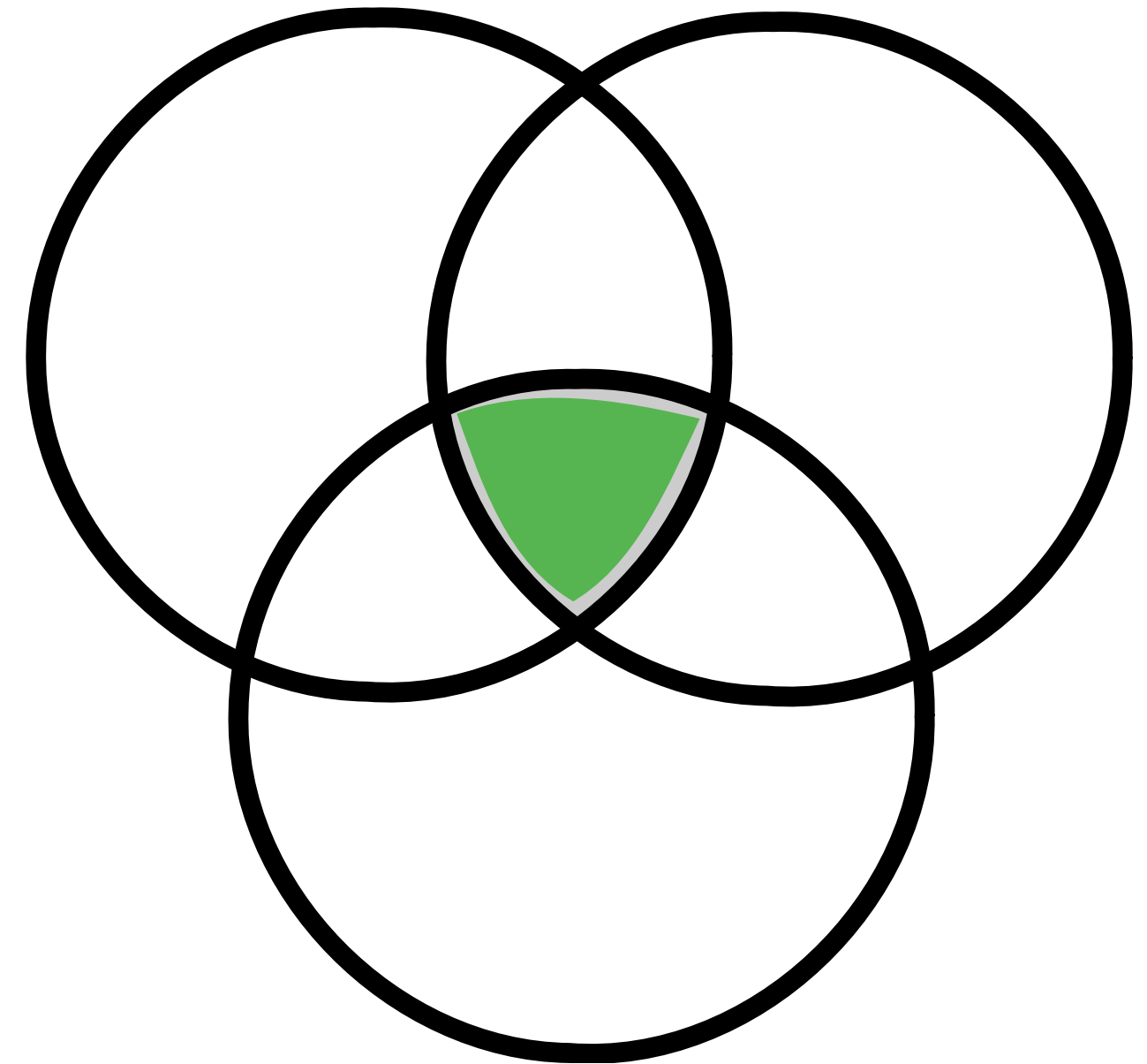


Cash Flow Forecasts

- Cash flow forecasts are important to review frequently to ensure the School's have funding available to be able to meet their needs
- Cash flow forecasts can be done for longer than one fiscal year
- Cash Flow forecasts not only include revenue and expense but also cash only transactions



**What are some
key differences to
know?**





**So how do you
read these
things?**



Test Your Skills

Can you spot any cash flow red flags? 

Cash Flow Example 2

Test Your Skills

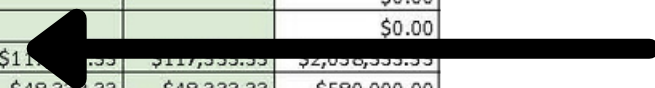
As of March 1, 2022	Dec-21	Jan-22	Feb-22	Mar-21	Apr-22	May-22	Jun-22	Actual Total 6/30/22
Total Cash - Beginning of Month	\$1,439,237.33	\$1,856,320.67	\$2,258,274.00	\$2,624,607.33	\$3,013,440.67	\$3,176,440.67	\$3,339,440.67	\$3,502,440.67
Cash Disbursements:								
Salaries	\$343,333.33	\$343,333.33	\$343,333.33	\$343,333.33	\$343,333.33	\$125,000.00	\$125,000.00	\$125,000.00
Benefits	\$4,083.33	\$4,083.33	\$4,083.33	\$4,083.33	\$4,083.33	\$4,083.33	\$4,083.33	\$4,083.33
Purchased Services	\$1,500.00	\$500.00						\$2,000.00
Professional Development	\$0.00							\$0.00
Facility Rent	\$45,000.00	\$3,750.00	\$3,750.00	\$3,750.00	\$3,750.00	\$3,750.00	\$3,750.00	\$45,000.00
Office Supplies	\$22,000.00	\$22,000.00						\$22,000.00
Instructional Supplies	\$1,488.00	\$1,488.00						\$1,488.00
Curriculum	\$11,000.00	\$916.67	\$916.67	\$916.67	\$916.67	\$916.67	\$916.67	\$11,000.00
Capital Reserve Expenditures:								
Equipment	\$129,000.00	\$129,000.00						\$129,000.00
Furniture and Fixtures	\$0.00							\$0.00
Miscellaneous Expenses	\$0.00							\$0.00
Technology	\$0.00							\$0.00
Capital Construction	\$0.00							\$0.00
Cares Act Expenses	\$125,000.00	\$10,416.67	\$10,416.67	\$10,416.67	\$10,416.67	\$10,416.67	\$10,416.67	\$125,000.00
ESSER Expenses	\$176,000.00	\$14,666.67	\$14,666.67	\$14,666.67	\$14,666.67	\$14,666.67	\$14,666.67	\$176,000.00
Other - Student Activities	\$207,600.00							\$0.00
Total Cash Expenditures:	\$200,000.00							\$0.00
Change in Accounts Payable/Receivable	\$50,000.00	\$4,166.67	\$4,166.67	\$4,166.67	\$4,166.67	\$4,166.67	\$4,166.67	\$50,000.00
Total Cash - End of Month	\$5,146,287.00	\$5,118,333.33	\$4,109,900.33	\$3,883,333.33	\$3,813,333.33	\$3,991,333.33	\$3,819,533.33	\$3,813,333.33
Restricted Cash:								
Tabor 3%								
Capital Projects								
Other Restricted:								
Fundraising for Specific Purpose								
Fees Collected for Specific Purpose								
Unspent Grant Revenues								
Other								
Unrestricted	\$167,704.50	\$69,085.33	\$496,485.67	\$899,819.00	\$1,301,152.33	\$1,718,235.67	\$2,120,189.00	\$2,486,522.33
Total Cash - End of Month	\$3,176,440.67	\$3,339,440.67	\$3,502,440.67	\$3,665,440.67	\$3,813,440.67	\$3,991,440.67	\$3,176,440.67	\$3,339,440.67



Test Your Skills



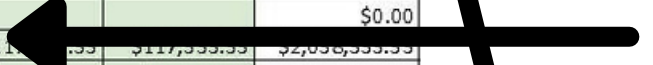
As of March 1, 2022	Dec-21	Jan-22	Feb-22	Mar-21	Apr-22	May-22	Jun-22	Actual Total 6/30/22
Total Cash - Beginning of Month	\$1,439,237.33	\$1,856,320.67	\$2,258,274.00	\$2,624,607.33	\$3,013,440.67	\$3,176,440.67	\$3,339,440.67	\$3,502,440.67
Cash Disbursements:								
Salaries	\$343,333.33	\$343,333.33	\$343,333.33	\$343,333.33	\$343,333.33	\$125,000.00	\$125,000.00	\$125,000.00
Benefits	\$4,083.33	\$4,083.33	\$4,083.33	\$4,083.33	\$4,083.33	\$4,083.33	\$4,083.33	\$4,083.33
Purchased Services	\$1,500.00	\$500.00						\$2,000.00
Professional Development	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Facility Rent	\$45,000.00	\$3,750.00	\$3,750.00	\$3,750.00	\$3,750.00	\$3,750.00	\$3,750.00	\$45,000.00
Office Supplies	\$22,000.00	\$22,000.00						\$22,000.00
Instructional Supplies	\$1,488.00	\$1,488.00						\$1,488.00
Curriculum	\$11,000.00	\$916.67	\$916.67	\$916.67	\$916.67	\$916.67	\$916.67	\$11,000.00
Capital Reserve Expenditures:								
Equipment	\$129,000.00	\$129,000.00						\$129,000.00
Furniture and Fixtures	\$0.00	\$0.00						\$0.00
Miscellaneous Expenses	\$0.00	\$0.00						\$0.00
Technology	\$0.00	\$0.00						\$0.00
Capital Construction	\$0.00	\$0.00						\$0.00
Cares Act Expenses	\$125,000.00	\$10,416.67	\$10,416.67	\$10,416.67	\$10,416.67	\$10,416.67	\$10,416.67	\$125,000.00
ESSER Expenses	\$176,000.00	\$14,666.67	\$14,666.67	\$14,666.67	\$14,666.67	\$14,666.67	\$14,666.67	\$176,000.00
Other - Student Activities	\$207,600.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Total Cash Expenditures:	\$5,146,287.00	\$5,111,833.33	\$4,109,900.33	\$3,883,333.33	\$3,811,333.33	\$3,991,333.33	\$3,811,333.33	\$3,875,353.67
Change in Accounts Payable/Receivable	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Total Cash-End of Month	\$317,787.00	\$207,170.33	\$634,570.67	\$1,037,904.00	\$1,439,237.33	\$1,856,320.67	\$2,258,274.00	\$2,624,607.33
Restricted Cash:								
Tabor 3%	\$150,082.50	\$138,085.00	\$138,085.00	\$138,085.00	\$138,085.00	\$138,085.00	\$138,085.00	\$1,104,680.00
Capital Projects	\$0.00	\$0.00						\$0.00
Other Restricted:								
Fundraising for Specific Purpose	\$0.00	\$0.00						\$0.00
Fees Collected for Specific Purpose	\$0.00	\$0.00						\$0.00
Unspent Grant Revenues	\$0.00	\$0.00						\$0.00
Other	\$0.00	\$0.00						\$0.00
Unrestricted	\$167,704.50	\$69,085.33	\$496,485.67	\$899,819.00	\$1,301,152.33	\$1,718,235.67	\$2,120,189.00	\$2,486,522.33
Total Cash-End of Month	\$317,787.00	\$207,170.33	\$634,570.67	\$1,037,904.00	\$1,439,237.33	\$1,856,320.67	\$2,258,274.00	\$2,624,607.33



Test Your Skills



As of March 1, 2022	Dec-21	Jan-22	Feb-22	Mar-21	Apr-22	May-22	Jun-22	Actual Total 6/30/22
Total Cash - Beginning of Month	\$1,439,237.33	\$1,856,320.67	\$2,258,274.00	\$2,624,607.33	\$3,013,440.67	\$3,176,440.67	\$3,339,440.67	\$3,502,440.67
Cash Disbursements	\$343,333.33	\$343,333.33	\$343,333.33	\$343,333.33	\$343,333.33	\$125,000.00	\$125,000.00	\$125,000.00
Capital Construction Grant	\$129,000.00	\$129,000.00						\$129,000.00
Other-Refunds from District	\$0.00							\$0.00
Asset Sale	\$0.00							\$0.00
Capital Construction Bond Reimbursement	\$0.00							\$0.00
MCSD#51 Mill Levy Override 2000	\$125,000.00	\$10,416.67	\$10,416.67	\$10,416.67	\$10,416.67	\$10,416.67	\$10,416.67	\$10,416.67
MCSD#51 Mill Levy Override 2014	\$176,000.00	\$14,666.67	\$14,666.67	\$14,666.67	\$14,666.67	\$14,666.67	\$14,666.67	\$14,666.67
Cares Act	\$207,600.00							\$0.00
ESSER	\$200,000.00							\$0.00
E-rate	\$50,000.00	\$4,166.67	\$4,166.67	\$4,166.67	\$4,166.67	\$4,166.67	\$4,166.67	\$4,166.67
Donation	\$0.00			\$10,000.00				\$10,000.00
CDHS OEC Grant	\$2,000.00		\$2,000.00					\$2,000.00
Title II A	\$120.00			\$120.00				\$120.00
Student Fees	\$0.00							\$0.00
Student Activity Fees	\$6,079.00		\$6,079.00					\$6,079.00
Fundraising Revenue	\$0.00							\$0.00
Total Cash Received:	\$5,146,287.00	\$5,118,333.33	\$4,109,903.33	\$383,333.33	\$381,333.33	\$391,333.33	\$381,953.33	\$381,333.33
Cash Expenditures:								\$0.00
Salaries	\$2,408,000.00	\$115,000.00	\$117,333.33	\$117,333.33	\$117,333.33	\$117,333.33	\$117,333.33	\$117,333.33
Benefits	\$580,000.00	\$48,333.33	\$48,333.33	\$48,333.33	\$48,333.33	\$48,333.33	\$48,333.33	\$48,333.33
Purchased Services	\$700,000.00	\$58,333.33	\$58,333.33	\$58,333.33	\$58,333.33	\$58,333.33	\$58,333.33	\$58,333.33
Professional Development	\$22,000.00	\$11,000.00				\$11,000.00		\$22,000.00
Facility Rent	\$499,000.00	\$41,583.33	\$41,583.33	\$41,583.33	\$41,583.33	\$41,583.33	\$41,583.33	\$41,583.33
Office Supplies	\$19,000.00	\$1,583.33	\$1,583.33	\$1,583.33	\$1,583.33	\$1,583.33	\$1,583.33	\$1,583.33
Instructional Supplies	\$52,900.00	\$17,633.33		\$17,633.33			\$17,633.33	\$52,900.00
Curriculum	\$60,000.00	\$54,500.00						\$54,500.00
Capital Reserve Expenditures	\$0.00							\$0.00
Equipment	\$2,200.00	\$1,100.00				\$1,100.00		\$2,200.00
Furniture and Fixtures	\$5,000.00	\$3,250.00				\$2,000.00		\$5,250.00
Miscellaneous Expenses	\$5,000.00	\$416.67	\$416.67	\$416.67	\$416.67	\$416.67	\$416.67	\$416.67
Technology	\$110,000.00	\$50,000.00	\$25,000.00	\$2,000.00		\$5,000.00	\$3,000.00	\$85,000.00
Capital Construction	\$120,000.00	\$10,000.00	\$10,000.00	\$10,000.00	\$10,000.00	\$10,000.00	\$10,000.00	\$10,000.00
Cares Act Expenses	\$207,600.00	\$17,300.00	\$17,300.00	\$17,300.00	\$17,300.00	\$17,300.00	\$17,300.00	\$17,300.00
ESSER Expenses	\$200,000.00	\$16,666.67	\$16,666.67	\$16,666.67	\$16,666.67	\$16,666.67	\$16,666.67	\$16,666.67
Other - Student Activities	\$12,050.00		\$4,016.67			\$4,016.67		\$12,050.00
Total Cash Expenditures:	\$5,002,750.00	\$446,700.00	\$340,566.67	\$313,550.00	\$329,183.33	\$315,566.67	\$311,550.00	\$336,200.00
Change in Accounts Payable/Receivable	-\$175,750.00	-\$175,750.00	\$16,500.00	\$20,000.00	\$20,000.00	\$25,750.00	\$20,000.00	-\$15,000.00
Total Cash-End of Month	\$317,787.00	\$207,170.33	\$634,570.67	\$1,037,904.00	\$1,439,237.33	\$1,856,320.67	\$2,258,274.00	\$2,624,607.33
Restricted Cash:								\$0.00
Tabor 3%	\$150,082.50	\$138,085.00	\$138,085.00	\$138,085.00	\$138,085.00	\$138,085.00	\$138,085.00	\$138,085.00
Capital Projects								\$0.00
Other Restricted:								\$0.00
Fundraising for Specific Purpose								\$0.00
Fees Collected for Specific Purpose								\$0.00
Unspent Grant Revenues								\$0.00
Other								\$0.00
Unrestricted	\$167,704.50	\$69,085.33	\$496,485.67	\$899,819.00	\$1,301,152.33	\$1,718,235.67	\$2,120,189.00	\$2,486,522.33
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**Need help? Ask
your finance
expert!**

**What does “Cash
is King” mean for
my school?**





Local Government Fund Banking and Investing

CRS 24-75-601 – Public Fund Investing Law

- Bank Deposits
 - Checking, Savings, Money Market Acct, Certificate of Deposit
 - Must comply with Public Deposit Protection Act
- Local Government Investment Pools
- Money Market Funds
- US Government Securities (Treasury and Agencies)
- Highly Rated Corporate Bonds

Investment Policy

**Government Finance Officers
Association – Model Policy**



Guiding Principles of Public Fund Investing

Safety

Liquidity

Yield

Local Government Investment Pool (LGIP)

Pooled funds from many local governments

- Charter Schools
- School Districts
- Municipalities
- Counties
- Special Districts
- Authorities



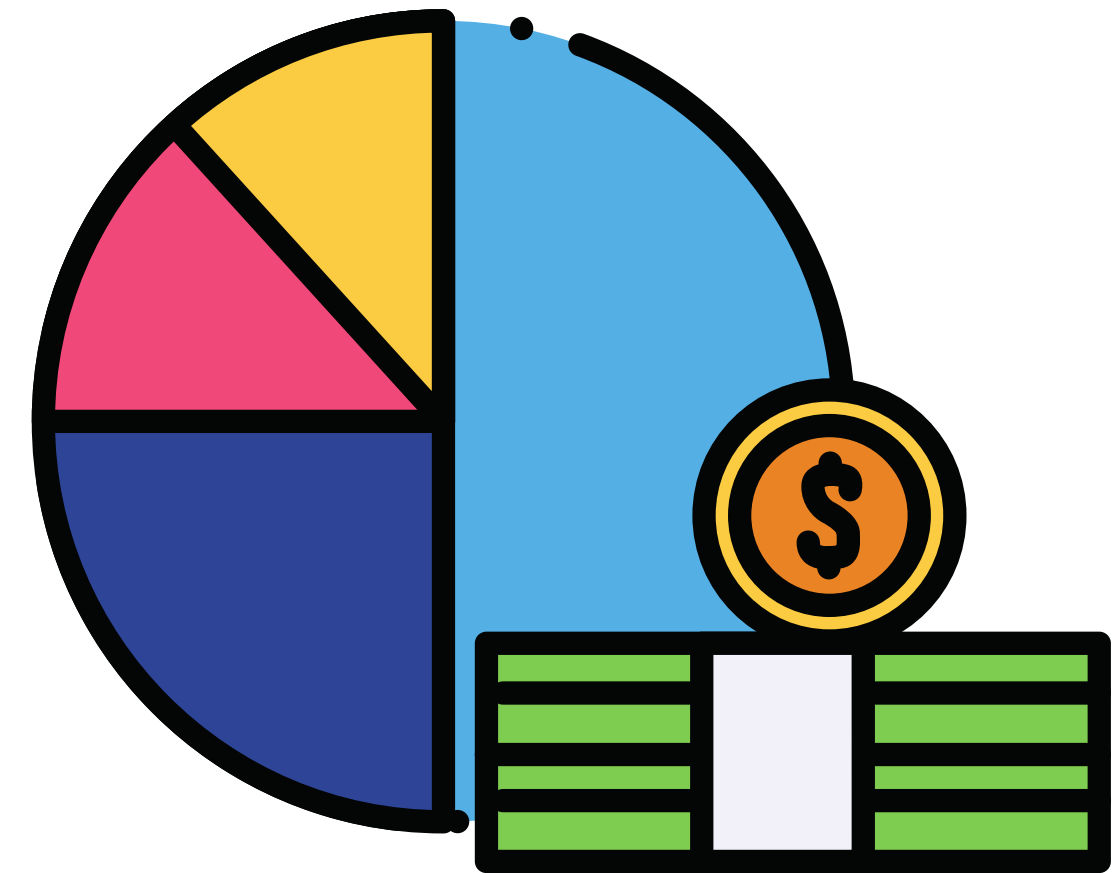
Local Government Investment Pool (LGIP)

- Think Money Market Fund
- Tailored for Local Governments
- For Short Term Funds



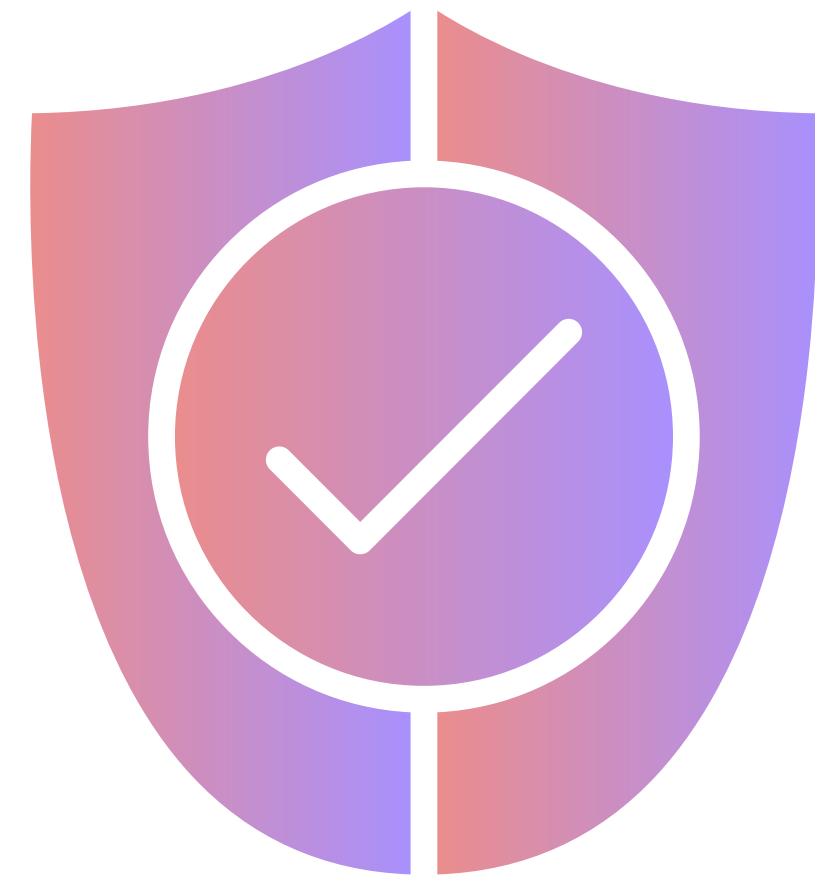
Advantages of LGIPs

- Economies of scale
- Professional management
- Layers of oversight
- Immediate or near-term liquidity
- Competitive yields
- Designed for safety



What Securities Can an LGIP Hold?

- US Treasuries
- US Agencies
- Commercial Paper
- Asset Backed Commercial Paper
- Repurchase Agreements
- Money Market Funds
- Certificates of Deposit
- Bank Deposits



Fund Examples

Cash
Fund

Intermediate
Cash Fund

Cash Fund

Stable NAV Prime Fund



NAV = Net Asset Value

- Stable - \$1 in = \$1 out

Portfolio Characteristics

- Maturities < 13 months
- 10 % Overnight Liquidity
- 30 % 5-day Liquidity
- 60 Day Max Weighted Average Maturity
- 120 Day Weighted Average Life
- GASB 79 Designation

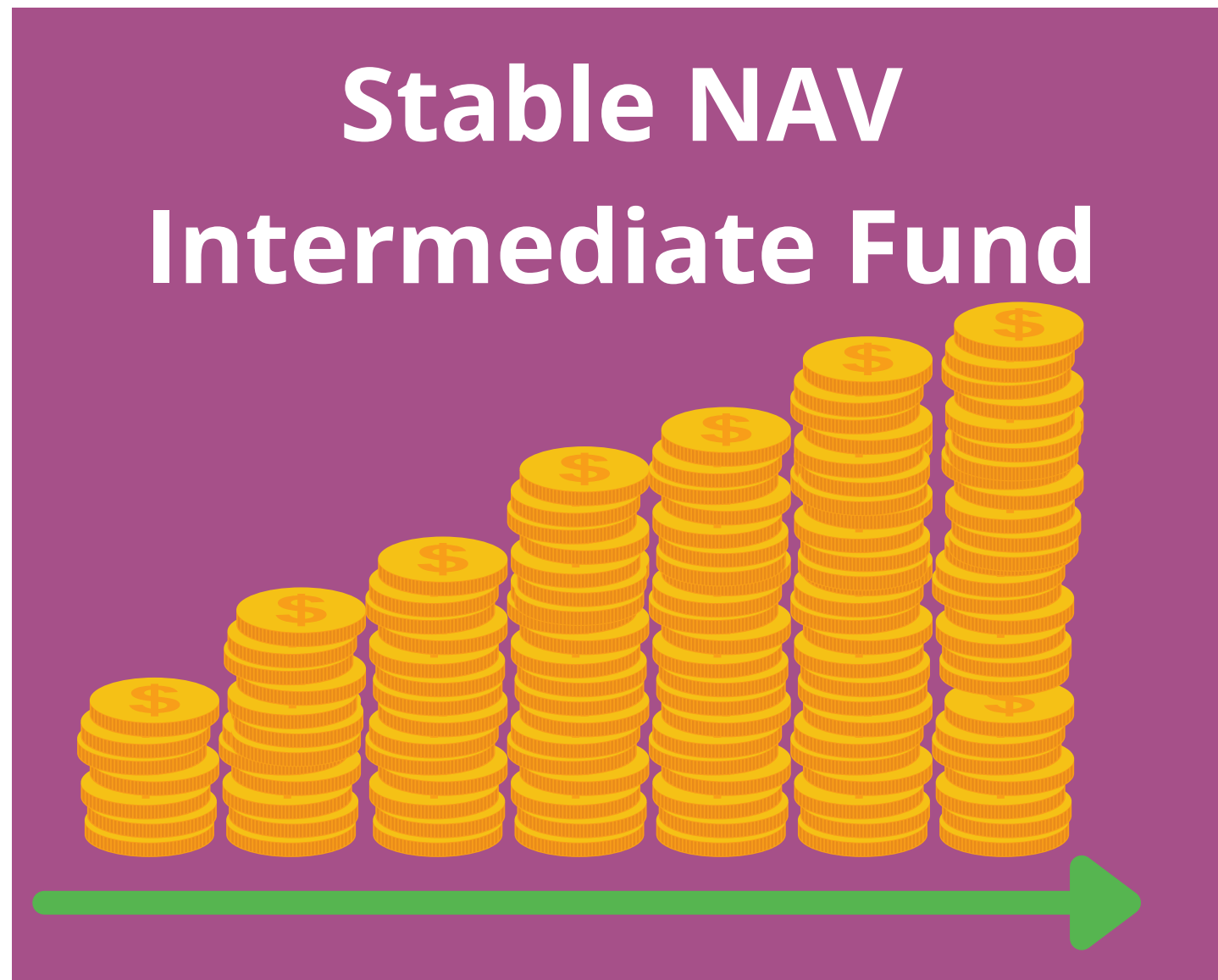
Intermediate Cash Fund

NAV = Net Asset Value

- Stable - \$2 in = \$2 out

Portfolio Characteristics

- Maturities < 3 years
- 5 % Overnight Liquidity
- 10 % 5-day Liquidity
- 180 Day Max Weighted Average Maturity
- 365 Day Weighted Average Life
- GASB 31 Designation



Colorado LGIPs

CSAFE

COLOTRUST

CSIP





THANK
YOU

