

TITLE: Carryover Practices For School Account Balances as of June 30, 2025, for FY26

NUMBER: MEM-2464.21

ISSUER: Christopher Mount, Chief Financial Officer
Business and Finance Division

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Business and Finance Division

DATE: January 6, 2025

ROUTING
 All Employees
 All Locations
 Region Superintendents
 Region Administrators of Operations
 Region Instructional Directors
 Region Community of Schools Administrators
 Principals
 School Administrative Assistants
 Financial Managers
 Fiscal Support Staff
 Central Offices

PURPOSE: The purpose of this memorandum is to provide guidelines for the carryover of school account balances as of June 30, 2025.

IMPORTANT NOTICE: Similar to Fiscal Year (FY) 2025, for FY2026, the General Fund School Program (13027) and Student Equity Needs Index (SENI) Program (10552) will carryover to schools as follows: Priority Schools will receive 70% of their year-end balance, Non-Priority Highest and High Needs Schools will receive 60% of their year-end balance, and all other schools will receive 50% of their year-end balance. For FY26 Budget Development, schools will receive 80% of their projected carryover following the above-listed carryover percentages.

Budget Training materials are available on the School Fiscal Services website at [2025 BD Training Materials](#) to assist schools in maximizing the resources available to students.

- GUIDELINES:**
- I. Funds are intended to benefit the students that generate the school resources.**

Generally, resources received by a school in a specific school year are intended to be spent for the benefit of the students served in the same school year.
 - II. Expenditures shall be recorded in the fiscal year the goods or services are received.**

- A. To guide schools and offices with regards to cutoff dates for ordering, please refer to MEM-6016.12, “2024-2025 Procurement Year-End Closing Timelines”, to be issued in March 2025.

- B. “Goods Receipt”, as used in this memorandum, is the record of receipt of materials and/or services and is processed in SAP. Upon receipt of materials or services, it is of utmost importance that schools and offices enter and post the “Goods Receipt” in SAP to ensure that expenditures are charged in the fiscal year they are received. “Goods Receipt” shall be processed upon actual delivery of materials or services. Processing of “Goods Receipt” prior to actual delivery is a violation of District policy and may result in disciplinary action taken against the site administrator. On the other hand, if materials or services are received on or before **June 30, 2025** and the “Goods Receipt” is not entered and posted in SAP by **June 30, 2025**, the expenditure shall be charged against the following fiscal year’s funds. This shall impact the accounts that do not carryover because the 2024-25 purchase shall reduce the 2025-26’s available balance. Therefore, if an order is placed late in the fiscal year, schools shall allow sufficient time for the delivery of goods and services, as well as the posting of the “Goods Receipt” no later than **June 30, 2025**.

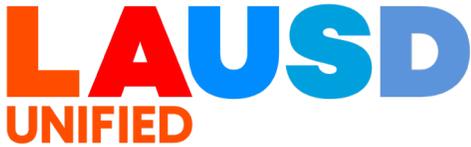
III. Accounts with carryover from 2024-25 to 2025-26

Carryover of encumbrances and balances (positive or negative) as of June 30, 2024, for the accounts listed below are authorized. For schools with program code 13027, any “negative” ending balances in the program codes listed below shall be reflected as an adjustment to reduce the final carryover in program code 13027. For TSP SENI programs, balances shall carryover into TSP-Student Equity Needs Index, program 10552.

GENERAL FUND – UNRESTRICTED (Fund 010)¹

Equity Multiplier-SB114	10673
Community Schools Resolution	11266
Prop 28-Arts Program	11421
Charter School Categorical Block Grant	13723
Charter School Allocation In-lieu of EIA	13724
SDEP Donations	13938

¹ Eighty percent (80%) of the projected positive carryover amounts in these program codes shall be available to schools during budget development for the 2025-26 school year.



<u>GENERAL FUND – UNRESTRICTED (Fund 010)²</u>	
TSP-Student Equity Needs Index	10552
General Fund School Program	13027

<u>GENERAL FUND – UNRESTRICTED (Fund 010)³</u>	
Civic Center Permit Program	11476
SDEP Proceeds Film/Photo Rental	14242
Incentive-Breakfast Discretionary	14423
SDEP Extended Kindergarten Program	17629
PTA/PTO Fundraising Events	10650

<u>GENERAL FUND – RESTRICTED (Fund 010)</u>	
B.E.S.T. Behavior-Special Ed.	12183
SDEP Donations-Special Education Schools	12538 ³
Special Ed.-School-based Enterprise (SBE)	13229

<u>ADULT EDUCATION FUND (Fund 110)³</u>	
Adult Schools-SDEP Donations	13717
Adult Schools-Filming & Photo Rental	14002
Adult Schools-Lease	14018
Adult Ed-I-TRAIN Program-School	14047
Adult Ed-EDD Program-School	14049
Adult Schools-Sub Contract	14098
Adult Schools-MC3 Class Program	14317
Adult Ed-Career Technical Education Class Fees	14323

<u>CHILD DEVELOPMENT FUND (Fund 120)³</u>	
Child Development – SDEP Filming, Photography, & Rentals	13676
Child Development – SDEP Donations	17623

<u>CAFETERIA FUND (Fund 130)</u>	
Healthier US School Challenge	17136

Actual 2024-25 ending balances shall be allocated in September after adjusting for any advanced carryover used during 2025-26 budget development.

² Priority Schools will receive 70% of their year-end balance, Non-Priority Highest and High Needs Schools will receive 60% of their year-end balance, and all other schools will receive 50% of their year-end balance. For budget development FY26, schools will receive 80% of their projected carryover following the above-listed carryover percentages.

³ Sixty percent (60%) of the projected carryover amounts from non-salary lines shall be available by July 1, 2025

IV. Accounts with ending balances that do not carryover from 2024-25 to 2025-26

Balances of school accounts not listed in Section III (i.e. Accounts With Carryover) shall not carry over to fiscal year 2025-26.

Regardless of whether the ending balance in Program 13027 is positive or negative, it shall be used to offset the negative ending balances in specific non-carryover programs.

Availability of school-level grant funds shall be based on the grant period indicated in the grant award letter.

RELATED RESOURCES: MEM-6016.12, 2024-25 Procurement Year-End Closing Timelines, scheduled to be released January 2025

REF-3640.19, Final Payment of Bills for Fiscal Year 2024-25, scheduled to be released April 2025

ASSISTANCE: For assistance or further information, K-12 schools may call their fiscal specialist; Division of Adult and Career Education schools may call the Adult Education Fiscal Services Section at (213) 241-3710; Regional Occupational Program may call K-12 Instructional Fiscal Support Unit at (213) 241-2189; and Early Childhood Education Centers may call the Early Childhood Education Fiscal Services Section at (213) 241-2923.