FCMAT

FISCAL CRISIS & MANAGEMENT ASSISTANCE TEAM

Projection-Pro: Cash Flow Projection

Fall 2026

About FCMAT

- FCMAT was established by Assembly Bill 1200 in 1992 to help local educational agencies (LEAs) comply with fiscal accountability standards.
- FCMAT provides management assistance, fiscal crisis intervention and other services to LEAs.
- FCMAT is an external, independent agency of the state.
- The Kern County Superintendent of Schools serves as FCMAT's administrative agent.

Today

- Goals:
  - Feel comfortable creating a basic cash flow in Projection-Pro.
  - Increase awareness of additional software functionality.
- Topics:
  - Foundation of a cash flow projection.
  - Creating a basic cash flow in Projection-Pro.
  - Demo.
  - Hands-on: Complete your first Projection-Pro cash flow.
  - Advanced topics.
  - Support recap.

What is Projection-Pro?

- https://projection-pro.fcmat.org (or https://pro.fcmat.org).
- Designed to assist local educational agencies (LEAs) with building multiyear and cash flow projections based on best practices and statewide assumptions.
- Development began in June 2016, with initial release August 2019.
- Updates based on a continuous delivery engineering approach (three-week releases).
- Developed in collaboration with California School Information Services (CSIS).
- Provided at no cost as part of FCMAT's mission to help LEAs fulfill their financial and management responsibilities.

Major Features

- Creates a file that can be imported in SACSWeb cash flow form.
- Maintains alignment between multiyear and cash flow projections.
- Customizable breakouts to create basic or detailed projections.
- Default assigns many receipt schedules.
- Easily copies local disbursement and balance sheet schedules to future fiscal years.
- Accurately performs the complex state aid calculation.

Quick Reminders

- https://projection-pro.fcmat.org or https://pro.fcmat.org.
- Web browsers and minimum resolution.
  - Supported browser: Chrome.
  - Resolution: 1080p (1920x1080).

Foundational Concepts

What is a Cash Flow Projection?

- Mathematical model.
- It is both a science and an art.
  - It is 100% our best guess for that point in time and guaranteed to contain inaccuracies.

Monitoring Cash

- Need: Identify potential **timing mismatches** between **receiving cash** and **paying** expenses or other obligations.
    - How much cash is received and disbursed?
- How do we monitor cash? By creating a **cash flow projection**.
- Frequency:
    - Informally **monthly**, at a minimum. More frequently when less cash is available.
    - Externally as part of the adopted budget, first interim and second interim formal reporting process.

Most Important Objective

Be able to identify:

how much cash is needed and when it is needed.

Budget versus Cash

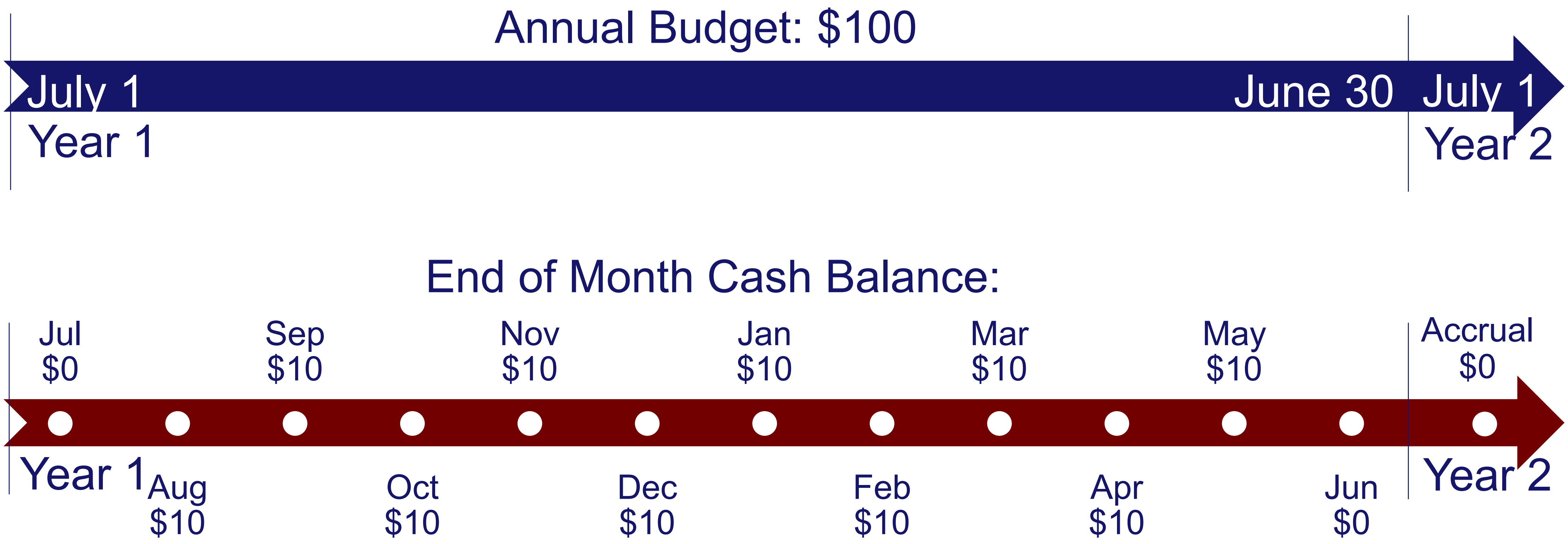
Budget:

- Spending plan over a **period** of time.
- Think: The annual budget.

Cash:

- Availability of cash at a **point** in time.
- Think: A daily balance of cash.

Relationship between Budget and Cash



Accumulate Facts for Local Schedules

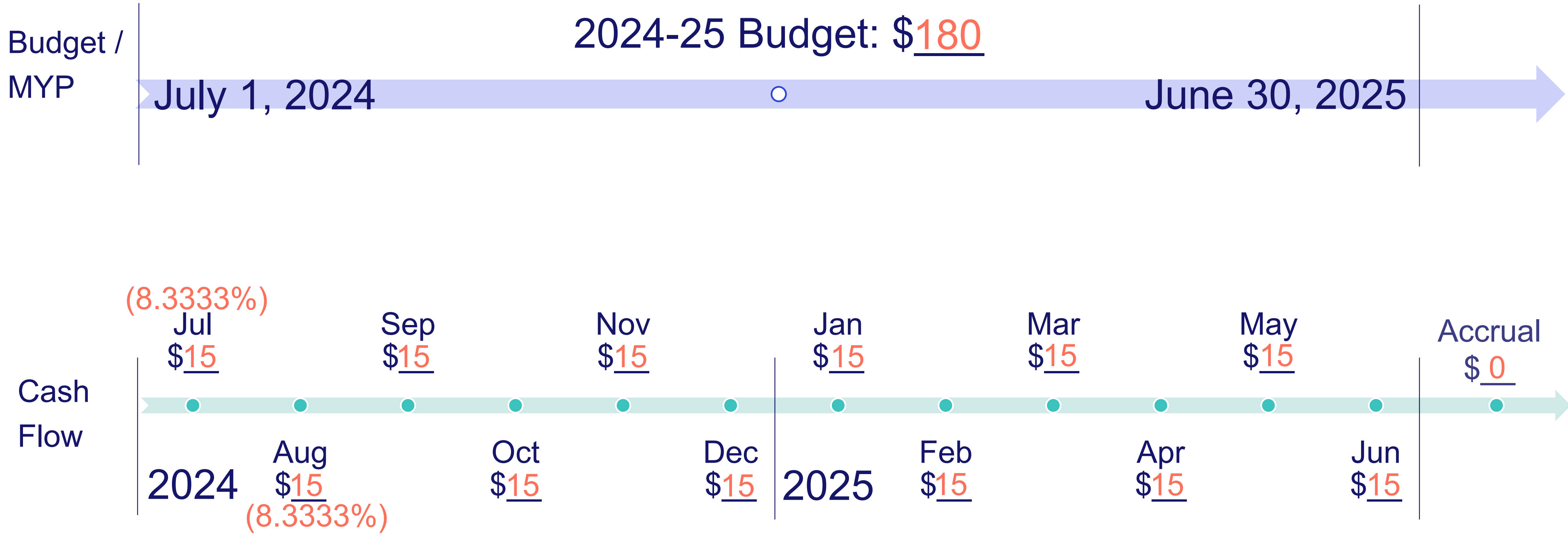
- Receipts and disbursements are not typically allocated evenly across the months.
- Where should locally defined cash flow schedules come from?
- Local processes: collective bargaining agreements, purchase order cutoff dates, reimbursement request schedules, special education local plan area (SELPA) practices, stipend schedules.
- Contracts or other forms of agreements for payments or receipts.
- Historical trends.

Check for Understanding: Facts

- 2024-25 Budget: $180.
- Receipt or disbursement for each month is 8.3333%.

Annual Budget	x	Monthly Rate	=	Monthly Cash
$180	x	8.3333%	=	$15

Check for Understanding: Application



Watch the Variance

- **Variance** equals:
  - Annual budget.
  - Less projected activity.
- Goal: Make the variance = **$0**.
- Why?
  - A $0 variance indicates that the **activity contained in the budget and balance sheet has been projected in the cash flow**.

Check for Understanding: Spot the Errors

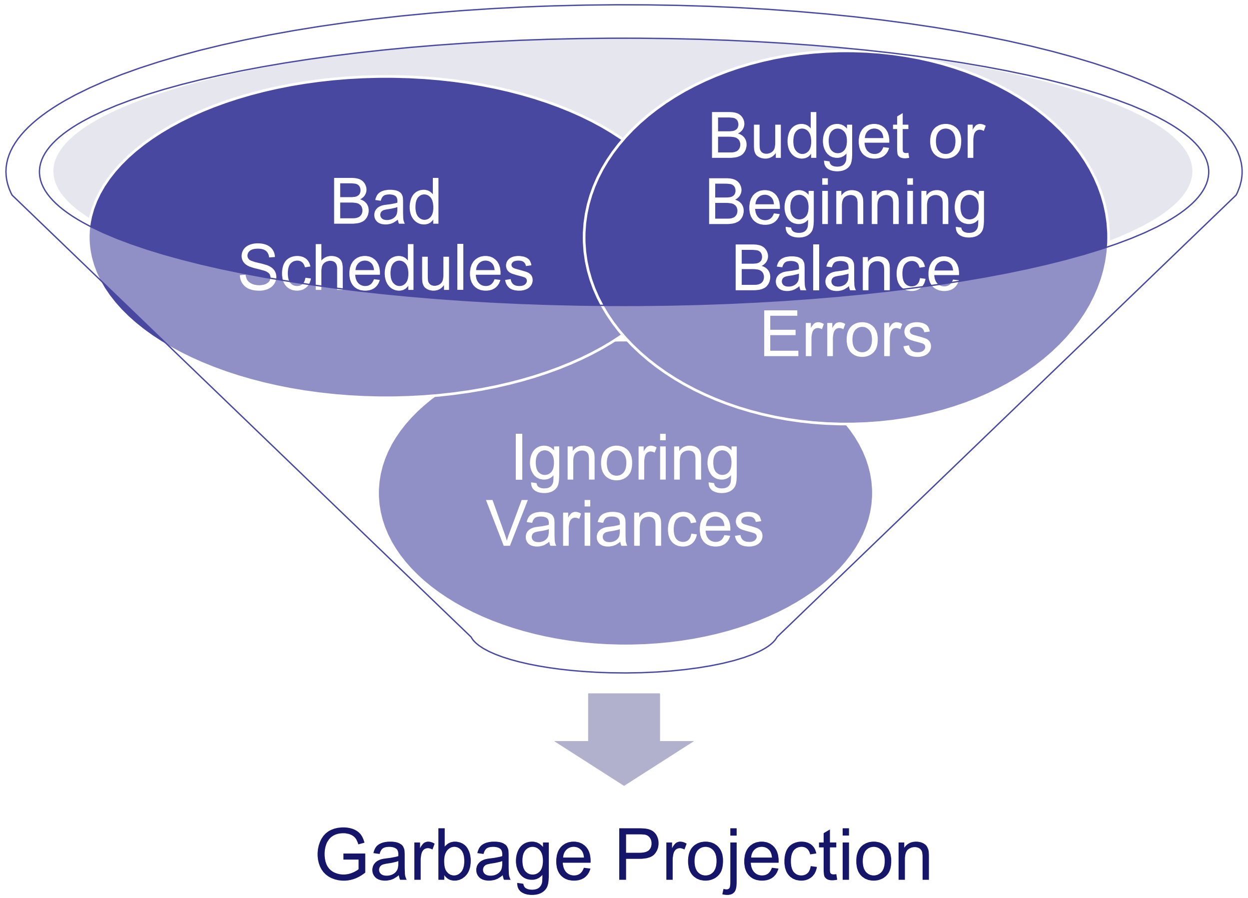
Category	Budget	Jul	Aug	Sep - May	Jun	Total	Variance
Beginning Cash	$400	$400	($50)	$30	$350		
B. Receipts	5,000	100	700	3,400	500	4,700	300
C. Disbursements	5,000	650	600	3,250	700	5,200	(200)
D. Balance Sheet Items	250	100	(20)	170	0	250	0
E. Net Change	250	(450)	80	320	(200)	(250)	
Ending Cash		(50)	30	350	150		

Check for Understanding: Corrected Outcome

Category	Budget	Jul	Aug	Sep - May	Jun	Total	Variance
Beginning Cash	$400	$400	$50	$130	$850		
B. Receipts	5,000	**200**	700	**3,600**	500	5,000	0
C. Disbursements	5,000	650	600	**3,050**	700	5,000	0
D. Balance Sheet Items	250	100	(20)	170	0	250	0
E. Net Change	250	(350)	80	720	(200)	(250)	
Ending Cash		50	130	850	650		

Garbage In, Garbage Out

A reasonably accurate cash flow projection begins with quality information.



Check and Balance

If

- The **beginning cash** balance is correctly entered.
- The **balance sheet items**' beginning balances are correctly entered.
- The budgeted activity is fully projected, i.e. **no variance.**
- The balance sheet items' activity is fully projected, i.e. **no variance.**

Then

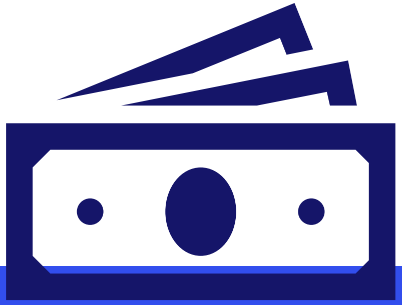
- **G. Ending Cash, Plus Accruals and Adjustments** in the cash flow will equal the **ending fund balance** in the MYP.

This relationship confirms that all possible activity recorded in the budget and beginning balances has been accounted for in the cash flow.

Borrowing Options

Option 1: Internal Borrowing

- Cash in one fund may be temporarily transferred to another fund for payment obligations.
- Education Code 42603:
  - Shall be repaid in the same year, or following year if borrowing takes place within 120 days of fiscal year end.
  - No more than 75% of money held in any fund during the current fiscal year may be transferred.
  - Borrowing fund must earn enough income during the current fiscal year to repay the amount transferred.

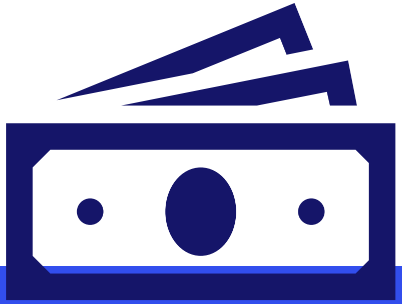


External Borrowing Options

- $ Use a Tax and Revenue Anticipation Note (TRAN).
- $ Borrow from the county office of education.
- $ Borrow from the county treasurer.
- All require TIME and PLANNING.

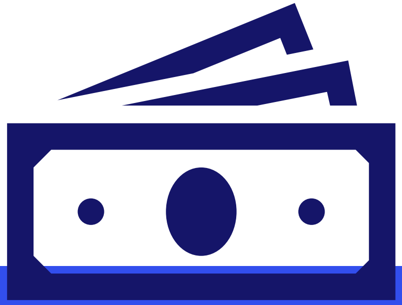
Option 2:
Tax and Revenue Anticipation Note (TRAN)

- Government Code 53854.
  - TRANs documents must be approved by the LEA's board.
  - Documents include:
    - Resolution to authorize borrowing.
    - Promissory note.
    - Other documents as required by the outside experts.
- Con: Cost.



Option 3: County Office Loan

- Education Code 42621-42622.
  - Subject to the availability of cash at the COE.
  - Requires board resolutions by both the school district and the COE.
- Con: Takes time to discuss and plan.



Option 4: County Treasurer

- Education Code 42620.
  - The code requires the county treasurer to loan money to a school agency that needs it.
  - Amount transferred shall not exceed 85% of fiscal year revenues levied on behalf of the agency.
  - Repayment must be made from the first monies received by the agency before any other obligation is paid.
  - Loan must be made prior to the last Monday in April.
  - Requires a resolution approved by the board.
- Con: Lead time for paperwork and approvals.

Most Common Errors

- Omitting beginning cash balance or incorrect beginning balances.
- Not balancing to projected budget.
- Not recognizing when cash is negative.
- Inaccurate revenue projections by month.
- Not understanding the difference between fund balance and cash.

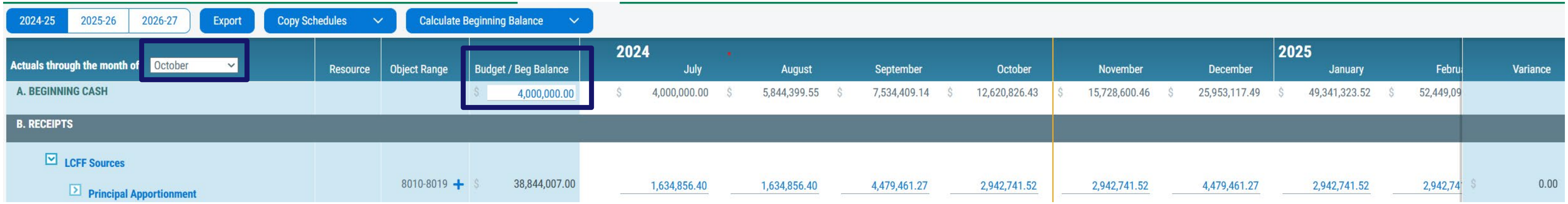
Creating a Basic Cash Flow Projection in Projection-Pro

Initializing a Cash Flow Projection

- Start by creating your projection container.
- Import base year budget file exported from your financial system.
- Add the MYP component.
    - Adding the MYP to the projection container adds the budget into the cash flow.
- Add the cash flow component.

Setup the Base Year

- Enter Beginning Cash.
- Set the Actuals through the month .
- Enter historical receipts and disbursements.



Setup Base Year (cont.)

- Enter balance sheet beginning balances.
- Enter all balance sheet beginning balances as of 7/1 per your financial system and unaudited actuals financial report.

Actuals through the month of October	Resource	Object Range	Budget / Beg Balance
Assets and Deferred Outflows			
Cash Not in Treasury		9111-9199	$ 110,000.00
Accounts Receivable		9200-9299	$ 4,120,339.80
Due From Other Funds		9310	$ 95,452.85
Stores		9320	$ 6,278.71
Prepaid Expenditures		9330	$ 3,549.00
Other Current Assets		9340	$ 0.00
Lease Receivable		9380	$ 0.00
Deferred Outflows of Resources		9490	$ 0.00
SUBTOTAL			$ 4,335,620.36
Liabilities and Deferred Inflows			
Accounts Payable		9500-9599	$ 3,541,107.96
Due To Other Funds		9610	$ 245,171.27
Current Loans		9640	$ 0.00
Unearned Revenues		9650	$ 23,123.43
Deferred Inflows of Resources		9690	$ 0.00
SUBTOTAL			$ 3,809,402.66

Cash Flow Revenue Schedules

- Default schedules are applied for many revenues:
  - Principal apportionment payments https://www.cde.ca.gov/fg/aa/pa/papayschedule.asp.
  - Transfers to charter schools in lieu of property taxes https://www.cde.ca.gov/fg/aa/pa/csfunding.asp.
  - Select categorical programs https://www.cde.ca.gov/fg/aa/ca/estcashflow.asp.
- Schedules will still need to be entered for revenues with inconsistent or unknown schedules.
- Have a request to change a default schedule or calculation? Submit a request to the FCMAT Help Desk: https://helpdesk.fcmat.org.

Anatomy of a Schedule

Actuals through the month of October	Object Range	Budget / Beg Balance	2022 July	August
0000 LCFF State Aid - Current Year	8011	$ 32,697,128.00	1,634,856.40	1,634,856.40
		Annual	5.0000 %	5.0000 %
		Certification	32,697,128.00	32,697,128.00
		Is Certification		
		Applied	5.0000 %	5.0000 %
		Recommended	5.0000 %	5.0000 %

- Top row: Dollar value applied in the projection.
- Applied: Percentage value (schedule) applied in the projection.
- Recommended: System defined schedule (applicable only to receipts).
- Orange Highlight: Identifies if a dollar or percentage value was entered.
  - Percentages automatically update with Budget/Beg Balance column updates.

Special Functionality: Actuals Through the Month Of ______

- Entering actuals is an important part of projecting cash flow. Changes in projected schedules and certifications become apparent when receipts don't match projections.
- Setting the 'Actuals through the month of' month stops the system from updating the schedules in the historical months of the projection.

Before

Actuals through the month of: October	Object Range	Budget / Beg Balance	July	August	September	October	November
B. RECEIPTS							
LCFF Sources							
Principal Apportionment	8010-8019	$ 38,844,007.00	1,500,000.00	1,500,000.00	4,236,719.75	2,700,000.00	2,000,000.00
All Others		$ 0.00	0.00	0.00	0.00	0.00	0.00
0000 LCFF State Aid - Current Year	8011	$ 32,697,128.00	1,500,000.00	1,500,000.00	2,700,000.00	2,700,000.00	2,000,000.00
Annual			5.0000 %	5.0000 %	9.0000 %	9.0000 %	6.6667 %
Certification			30,000,000.00	30,000,000.00	30,000,000.00	30,000,000.00	30,000,000.00
Is Certification			✓				
Applied			5.0000 %	5.0000 %	9.0000 %	9.0000 %	6.6667 %
Recommended			5.0000 %	5.0000 %	9.0000 %	9.0000 %	9.0000 %

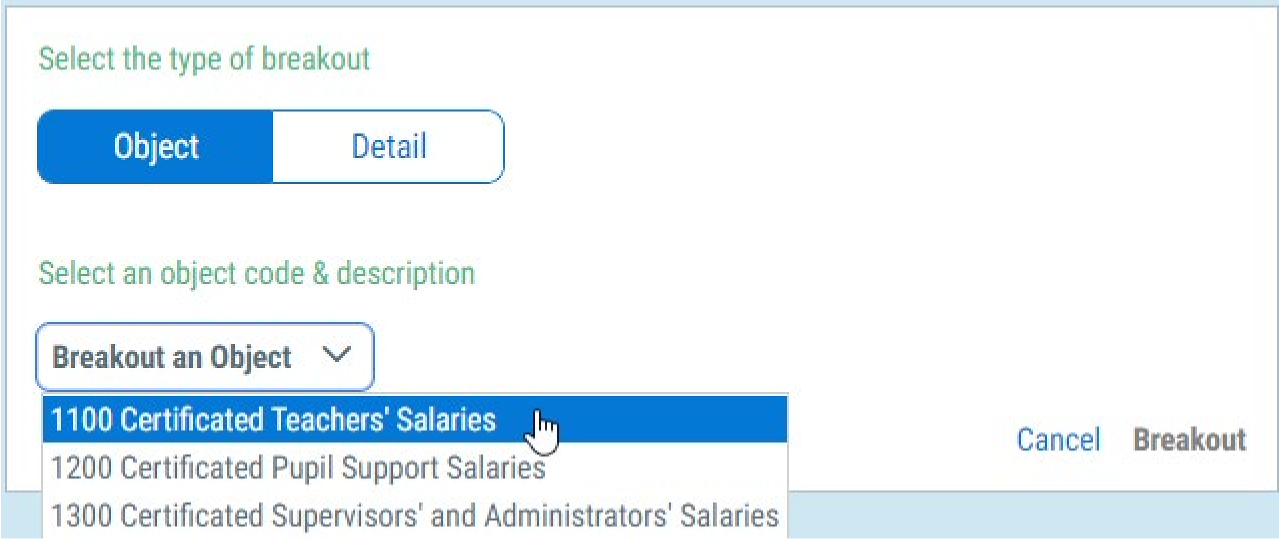
After

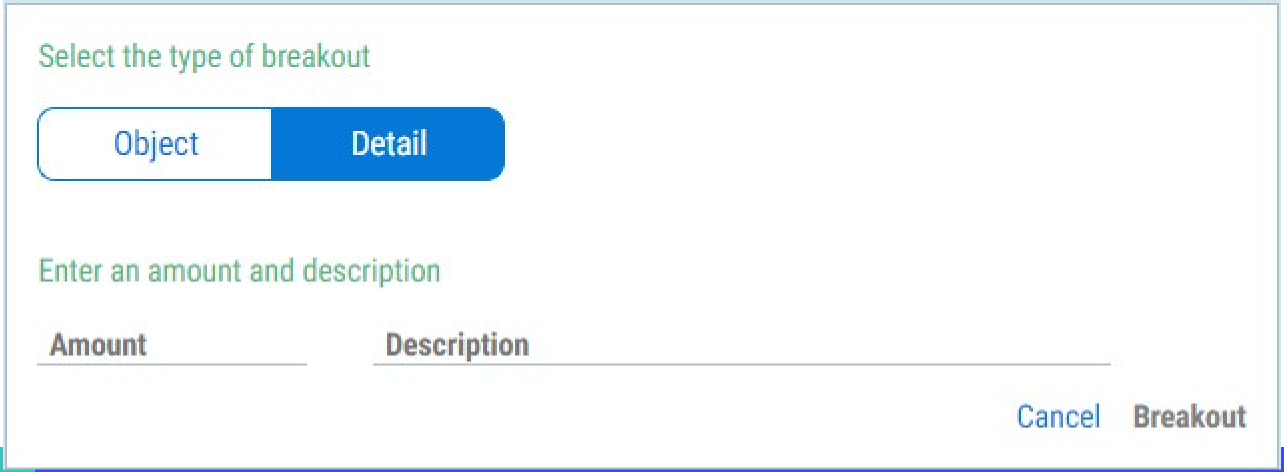
Actuals through the month of: October	Object Range	Budget / Beg Balance	July	August	September	October	November
B. RECEIPTS							
LCFF Sources							
Principal Apportionment	8010-8019	$ 38,844,007.00	1,500,000.00	1,500,000.00	4,236,719.75	2,700,000.00	2,700,000.00
All Others		$ 0.00	0.00	0.00	0.00	0.00	0.00
0000 LCFF State Aid - Current Year	8011	$ 32,697,128.00	1,500,000.00	1,500,000.00	2,700,000.00	2,700,000.00	2,700,000.00
Annual			5.0000 %	5.0000 %	9.0000 %	9.0000 %	9.0000 %
Certification			30,000,000.00	30,000,000.00	30,000,000.00	30,000,000.00	30,000,000.00
Is Certification			✓				
Applied			5.0000 %	5.0000 %	9.0000 %	9.0000 %	9.0000 %
Recommended			5.0000 %	5.0000 %	9.0000 %	9.0000 %	9.0000 %

Adding Detail to Create a More Accurate Projection

- Object breakout.
  - Breaking out a value based on a single object's budget
  - You choose the object.

- Detail breakout.
  - Breaking out a value based on something other than an object's budget.
  - You enter the value and a description.





Behind the Scenes: Cash Flow Calculations

Automatically Selected by the System

Cash Flow Calculations

- The cash flow projects using three distinct calculations:
  - Special formulas defined in the Education Code.
  - Multiple certification points with adjustments.
  - Budget or single certification.

Special Formulas Defined in the Education Code

- Revenue is estimated for cash flow purposes before a final certification is calculated.
  - Principal apportionment.
  - In lieu of property taxes.
- Schedules and certification points are defined in Education Code:
  - Percentage of annual entitlement for July through January.
  - Percentage of remainder for February through June.

Example: Principal Apportionment

1. \$100,000 Advance certification
   x9.0000% scheduled payment #3
   \$9,000 cash receipt
2. \$120,000 P-1 certification
   \- \$55,000 prior receipts
   \$65,000 remainder
   20.0000% scheduled payment #9
   \$13,000 cash receipt

Special Formulas Defined in the Education Code

Actuals through the month of October	Object Range	Budget / Beg Balance	July	August
B. RECEIPTS				
LCFF Sources				
Principal Apportionment	8010-8019	$ 38,844,007.00	1,500,000.00	1,500,000.00
All Others		$ 0.00	0.00	0.00
0000 LCFF State Aid - Current Year	8011	$ 32,697,128.00	1,500,000.00	1,500,000.00
Rate of receipts annualized over the fiscal year		Annual	4.5876 %	4.5876 %
Enter projected certifications values		Certification	30,000,000.00	30,000,000.00
		Is Certification	✓	
Schedule in use in the projection		Applied	5.0000 %	5.0000 %
Default schedule from the system		Recommended	5.0000 %	5.0000 %

Multiple Certification Points with Adjustments

- Revenue is estimated for cash flow purposes before a final certification is calculated.
  - Education Protection Account (EPA).
  - Lottery.
- Payments contain an adjustment for the revised certification.

Example: EPA

1. $100,000 1st quarter certification
   x25.0000% scheduled payment #1
   $25,000 1st cash receipt
2. $104,000 2nd quarter certification
   x50.0000% sum scheduled payment
   $52,000 total cash payment
   \- $25,000 prior cash receipt
   $27,000 2nd cash receipt with $2,000 adjustment

Multiple Certification Points with Adjustments

Actuals through the month of -- no actuals --	Object Range	Budget / Beg Balance		2021 July	August	September	October	November	December
1400 Education Protection Account State Aid - Current Year	8012	$ 5,000,000.00		0.00	0.00	1,500,000.00	0.00	0.00	1,000,000.00
		Certification		6,000,000.00	6,000,000.00	6,000,000.00	6,000,000.00	6,000,000.00	5,000,000.00
		Is Certification		✓		✓			✓
		Applied		0.0000 %	0.0000 %	25.0000 %	0.0000 %	0.0000 %	25.0000 %
		Recommended		0.0000 %	0.0000 %	25.0000 %	0.0000 %	0.0000 %	25.0000 %

- Settle-up is recaptured in a single month.

Budget or Single Certification

- One or more payments are made from a single certification.
- No certifications are issued for payments to aid cash flow.
  - Mandated Block Grant.
  - Disbursements.

Example:

1. $100,000 Certification or Budget

   x30.000% scheduled payment #1

   $30,000 1st cash receipt

2. $100,000 Certification or Budget

   x70.0000% scheduled payment #2

   $70,000 2nd cash receipt

Resolving Budget Errors in the Variance Column

The receipt was greater than the budget. Now what?

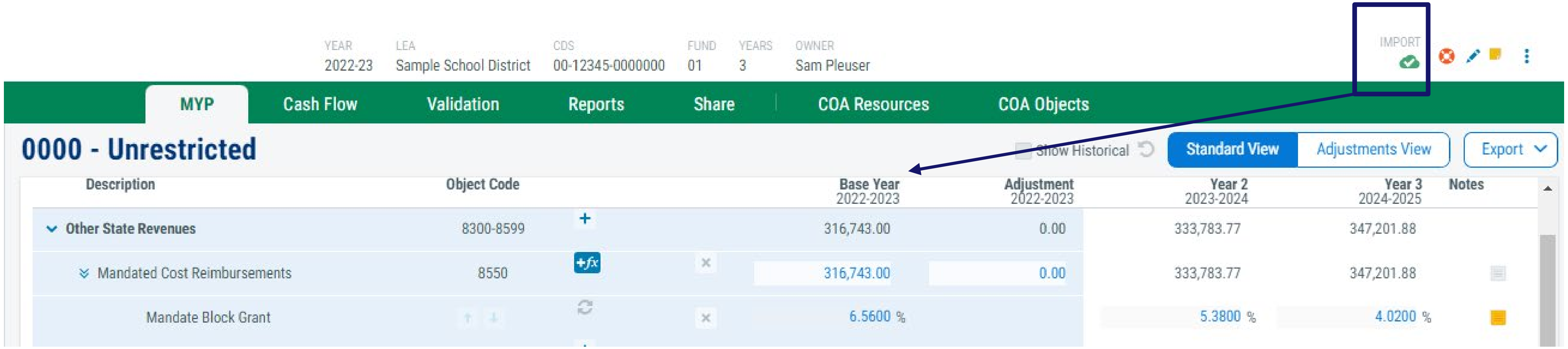
hrough the month of	Object Range	Budget / Beg Balance		2022 July	August	September	October	November	Variance
0000 Mandated Cost Reimbursements	8550	$ 316,743.00		0.00	0.00	0.00	325,000.00	0.00	$ (8,257.00)
		Certification		316,743.00	316,743.00	316,743.00	316,743.00	316,743.00	
		Is Certification		✓					
		Applied		0.0000 %	0.0000 %	0.0000 %	102.6068 %	0.0000 %	-2.6068 %
		Recommended		0.0000 %	0.0000 %	0.0000 %	0.0000 %	100.0000 %	0.0000 %

Select One of the Following:

A. RECOMMENDED. Modify the financial system budget and perform a new import in Projection-Pro.
B. Enter a value in the Adjustment column of the multiyear projection and update the multiyear projection with this revised information. The information will naturally flow into the cash flow projection.
C. Enter a value in the cash flow projection Adjustment column.

A. Multiyear Projection: Reimport Base Year

reimport updated file



- This is the recommended method to ensure the financial system, SACS software and Projection-Pro remain aligned.

B. Multiyear Projection: Adjustment Column

0000 - Unrestricted

Show Historical | Standard View | Adjustments View

Description	Object Code	Base Year 2022-2023	Adjustment 2022-2023	Year 2 2023-2024	Year 3 2024-2025
Other State Revenues	8300-8599	316,743.00	8,257.00	342,485.00	356,252.90
Mandated Cost Reimbursements	8550	316,743.00	8,257.00	342,485.00	356,252.90

- Causes a mismatch between the financial system, Projection-Pro and SACSWeb.
- Appropriate only when between financial reporting periods.

C. Cash Flow Adjustment Column

Actuals through the month of October	Object Range	Budget / Beg Balance	Accrual	Adjustments	Total	Variance
0000 Mandated Cost Reimbursements	8550	$ 316,743.00	0.00	(8,257.00)	316,743.00	$ 0.00
		Certification	316,743.00			
		Is Certification				
		Applied	0.0000 %		102.6069 %	-2.6069 %
		Recommended	0.0000 %		100.0000 %	0.0000 %

- Ignores the impact on the MYP for material adjustments.
- Does not cause errors in the SACS software import.

Validation, Reports and Exports

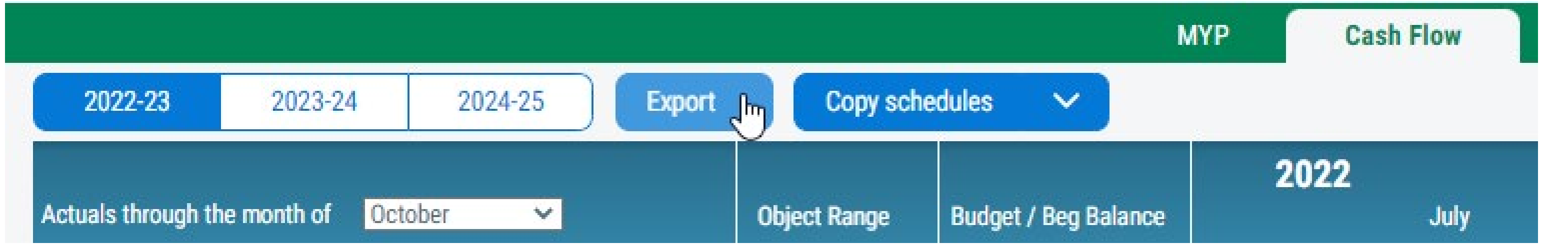
Validation: Positive Cash Balance

MYP | Cash Flow | **Validation**

Cash Flow

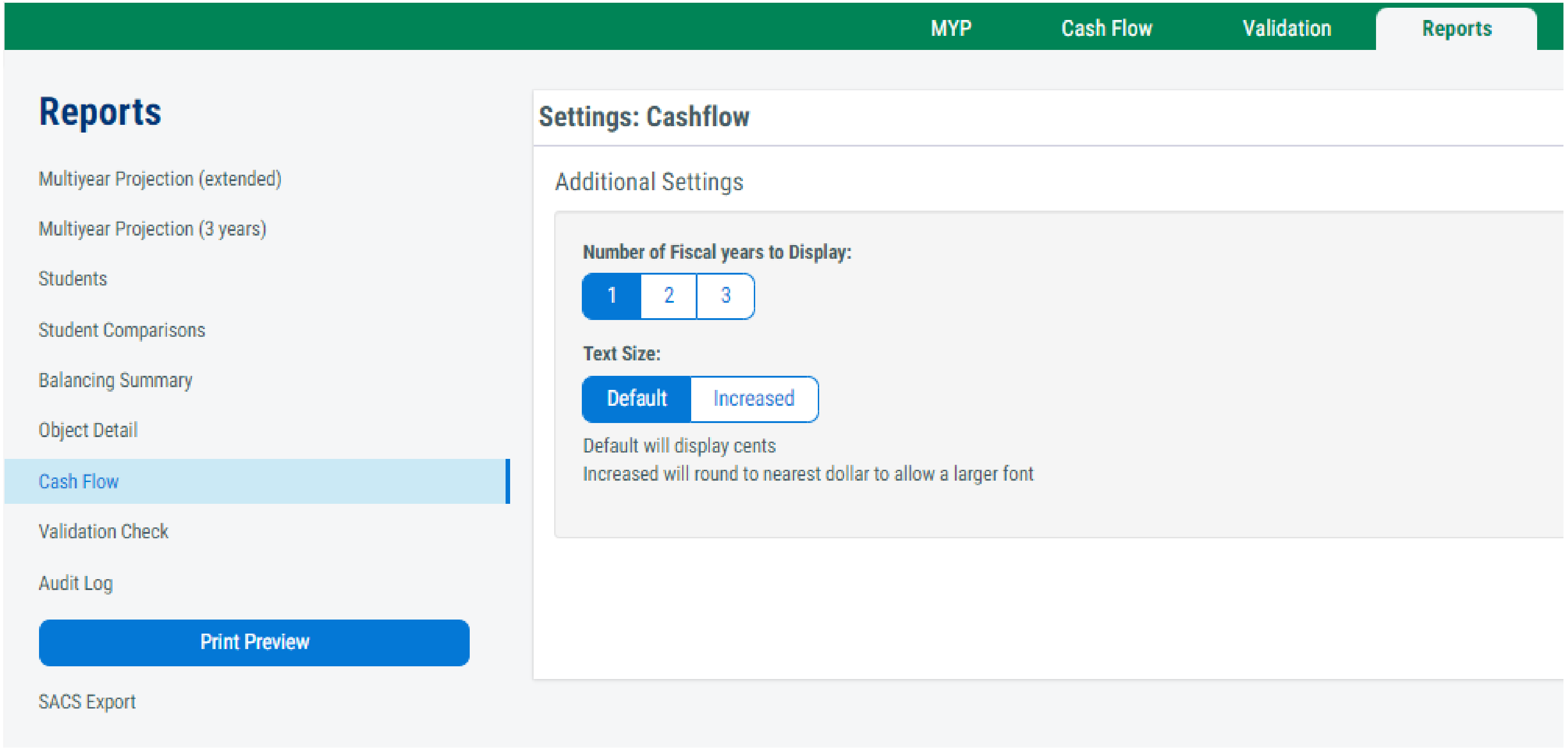
Validation	Status
All months have a positive cash balance in Year 1	Fail
All months have a positive cash balance in Year 2	Fail
All months have a positive cash balance in Year 3	Fail

Cash Flow Export in .csv

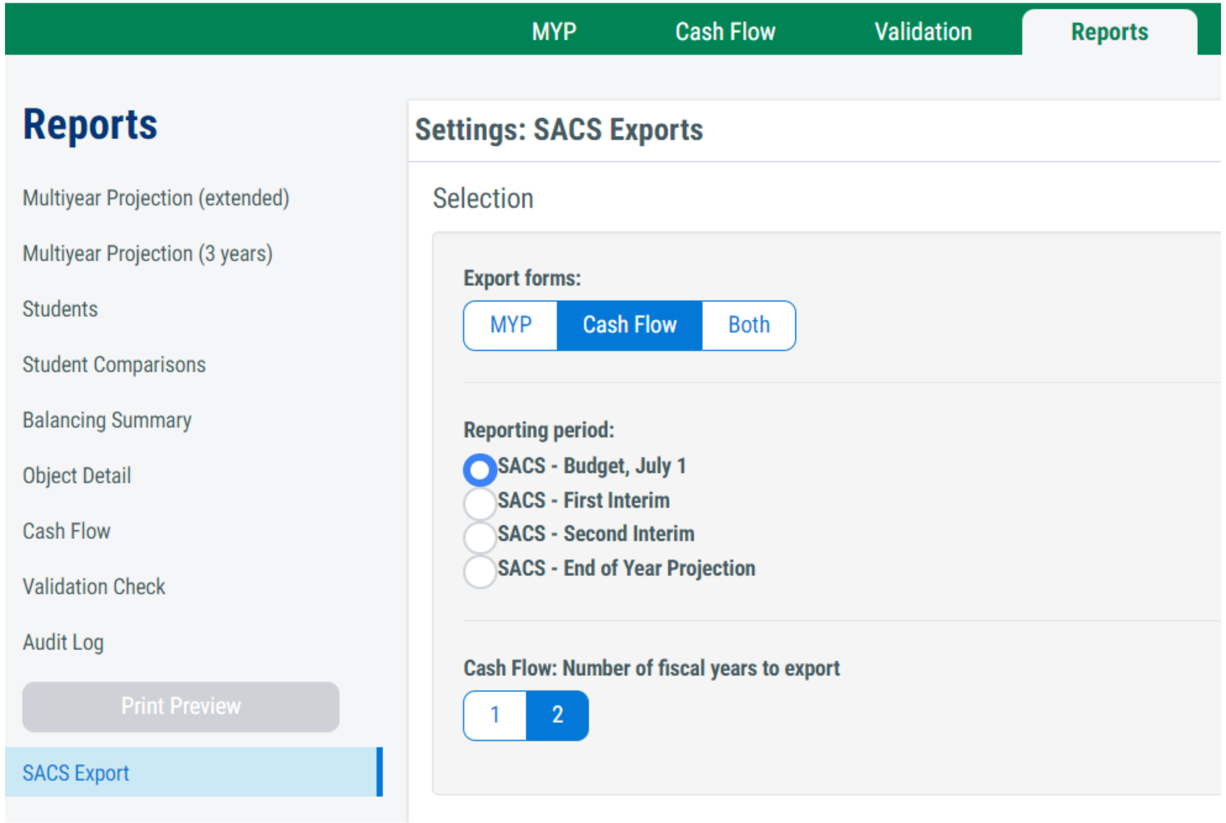


	A	B	C	D	E
1	Description	Budget	July	August	September
2	A. BEGINNING CASH	14,000,000.00	14,000,000.00	7,274,709.39	3,134,356.38
3	B. RECEIPTS				
4	LCFF Sources				
5	Principal Apportionment	38,844,007.00	1,634,856.40	1,634,856.40	4,479,461.27
6	Property Taxes	36,415,701.00	-	-	-
7	Miscellaneous Funds & LCFF Transfers	(2,294,345.00)	-	(140,907.36)	(281,814.72)
8	Federal Revenue	5,576,322.00	-	-	3,270,205.00
9	Other State Revenue	6,722,780.00	-	-	-
10	Other Local Revenue	19,518,514.00	196,060.55	196,060.55	734,850.49

Reports: Cash Flow Report

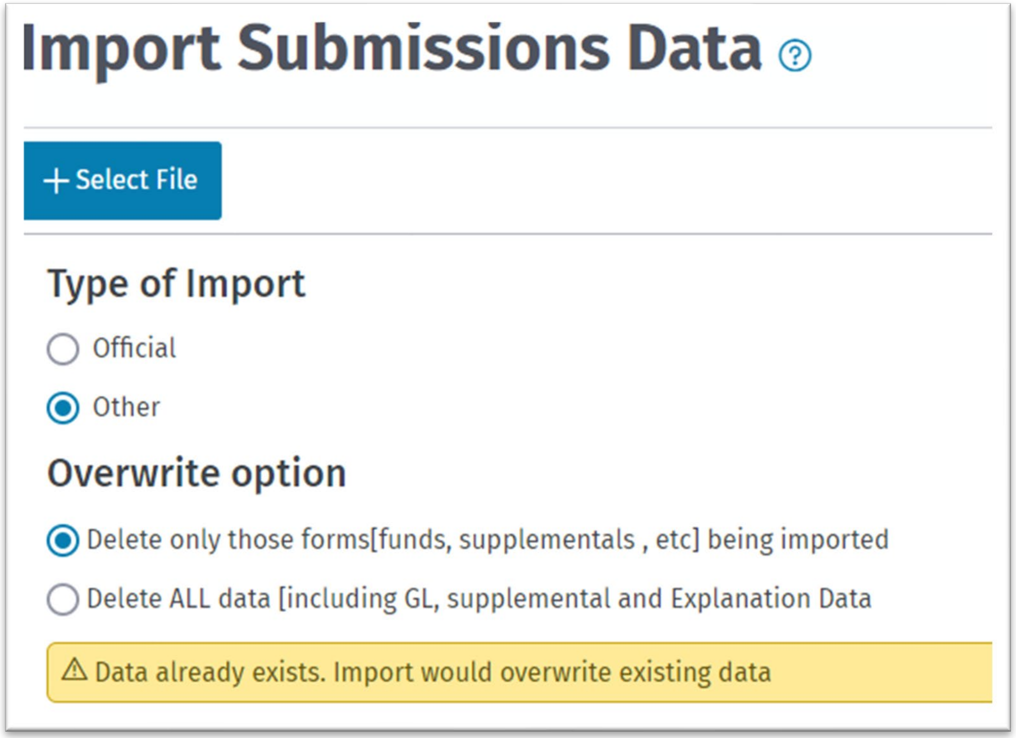


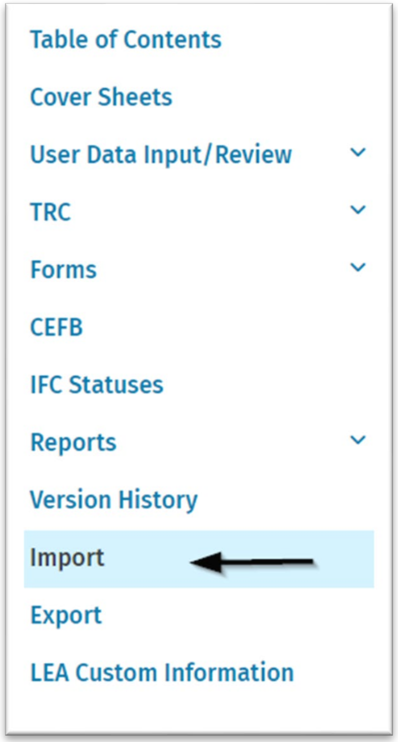
Reports: SACS Export



Reports – SACS Exports

- Use the following SACSWeb Import settings.

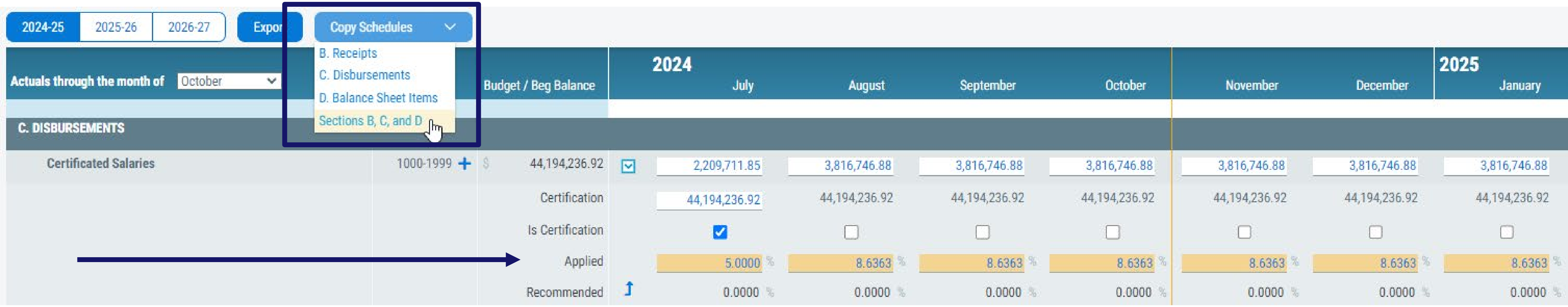




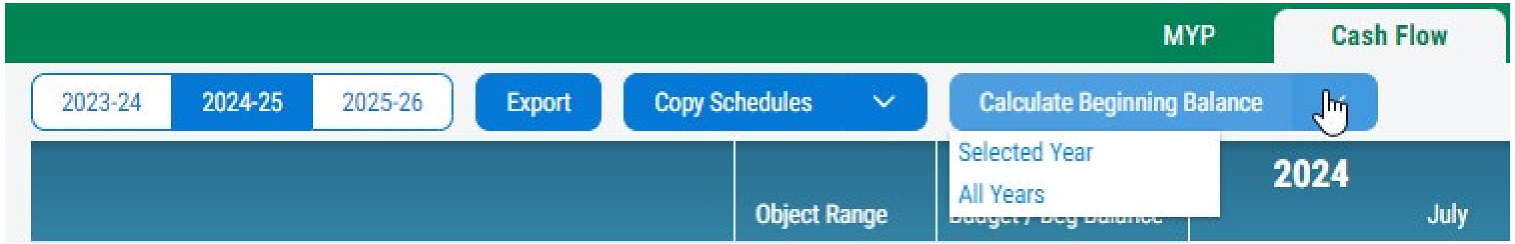
Features to Project Subsequent Years

Copy Schedules

- Disbursements and Balance Sheet sections are generally based on locally defined schedules and not are not prefilled.
- Enter the local schedules in the base year and then copy the schedules to future years. Then, fine-tune schedules in the individual years.



Calculate Beginning Balance



- The system calculates simplified balance sheet beginning balances based on the:
  - Accrual column.
  - Remaining balance sheet object values.
- Users may make adjustments based on desired level of detail.

Hands-on Activity

Complete Your First Projection-Pro Cash Flow

Resources and Support

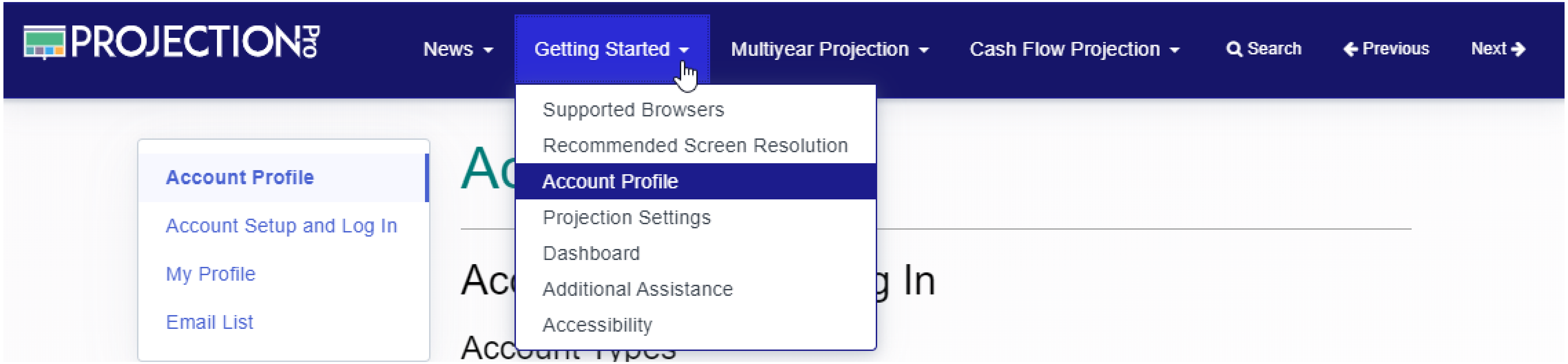
User Guide

Access the user guide at:

- Link within the software.
- Bookmark this link: https://projection-pro-guide.fcmat.org/.

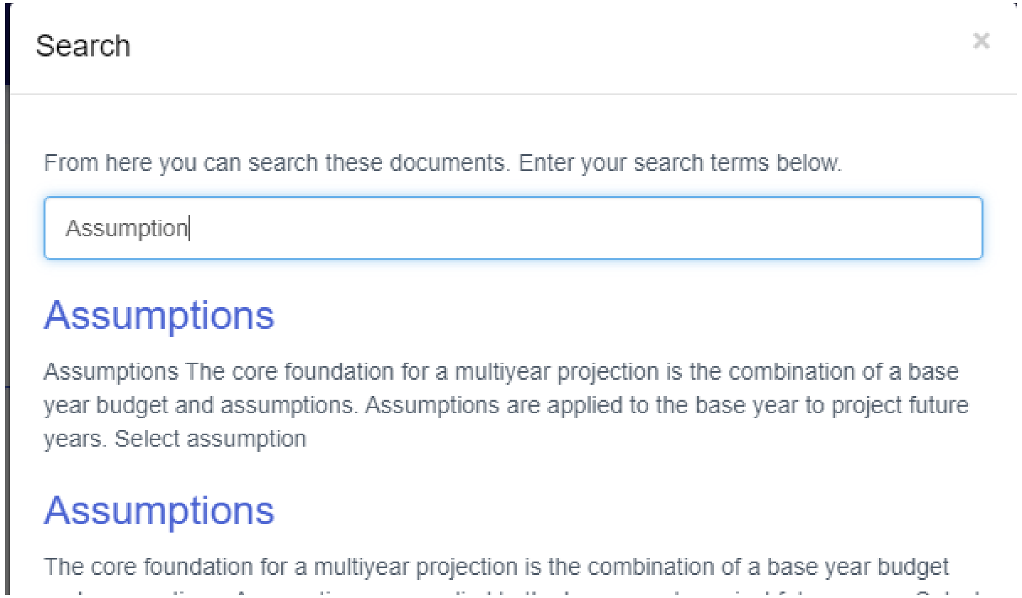
User Guide

- The user guide contains many features to help find your topic of interest.
  - Menu, submenus.
  - Previous and Next buttons.
  - Keyword search.
  - Text links.



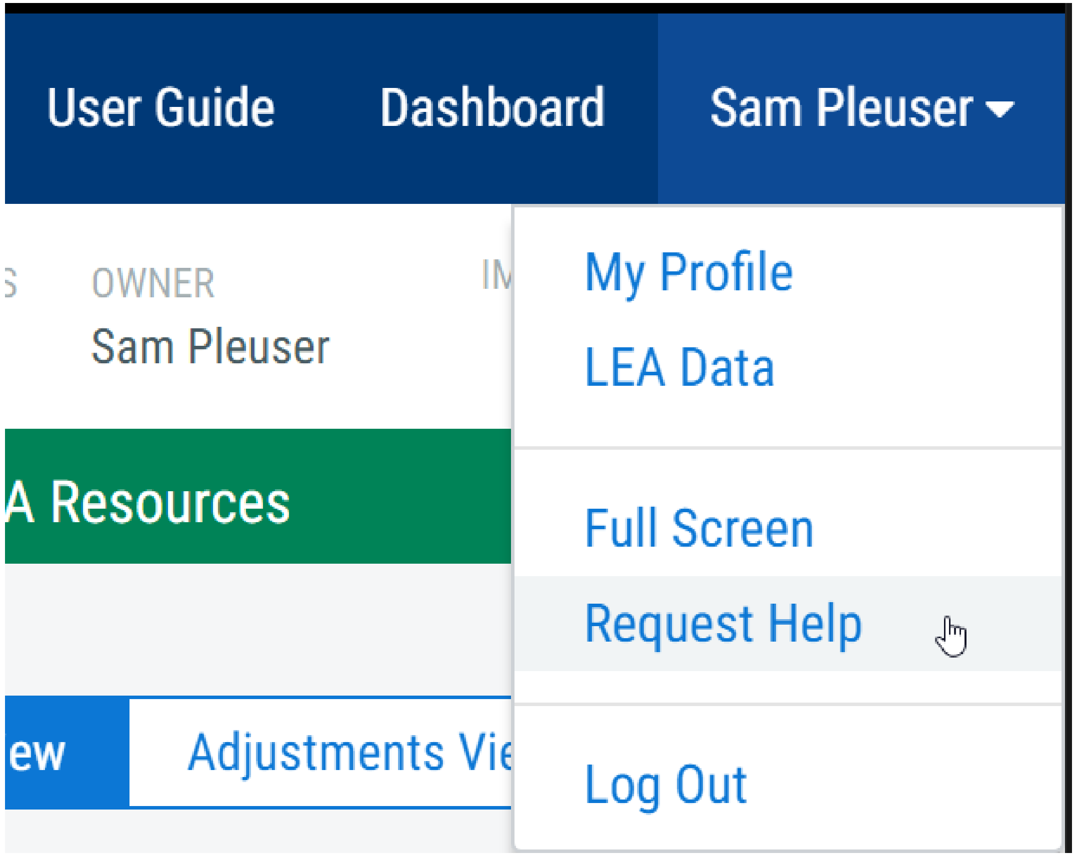
Search the User Guide

- The user guide contains a search feature accessible in the upper right corner. The results provide the section heading and a few lines.



Help Desk

- Access FCMAT Help Desk at:
  - Link within the user menu.
  - Bookmark this link: https://helpdesk.fcmat.org



Include Details and Screenshots

- Answer these important questions:
  - What were you doing when it occurred?
  - What happened?
  - What did you expect to happen?
- Provide the web link to the projection, example: https://projection-pro.fcmat.org/projections/3575/myp
- Attach:
  - Screenshots.
  - Import file.

Weekly Maintenance Window

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
			System Maintenance 6pm – 10pm			

Activity: Setup Help Desk Access

Questions?

Thank you!