



CASH FLOW ADVANCE PROGRAM 2021-22

CASH ADVANCES FOR NEW CHARTERS

As a result of the state apportionment process, charters in their first year with the Charter SELPA will not generate state special education funding until February of 2022. Although CDE delays funding, a charter school is still responsible to provide special education services to students.

In order to mitigate the fiscal impact of this delay in first year cash flow, El Dorado Charter SELPA has available a low interest cash advance to charters new to the SELPA in 2021-22.

ADVANCE PROGRAM DETAILS

- Charters in their first year of membership in El Dorado Charter SELPA are eligible.
- Advance requests must be received by **October 9, 2021**.
- Advances will be made from the available balance in the Set Aside Risk Pool.
- 25% of estimated annual state funding (net of administrative fee and Set Aside Risk Pool contribution) is projected to be available for advances.
- Final advance amounts may be pro-rated based on the total amount requested and total amount available.
- Advance amount calculation: **(Preliminary 2021-22 ADA) x (\$670) x (25%)**

DOCUMENTATION REQUIRED

- Attendance data for the first 20 days of school in one of the following forms:
 - PENSEC report; or
 - Attendance software report.
- An executed Guarantee of Repayment detailing:
 - The amount of the advance.
 - The amount of interest to be paid.
 - An agreement to have the repayment plus interest deducted from the May and June apportionments.

FUNDING/INTEREST/REPAYMENT TERMS

- All cash advanced in one distribution on October 31, 2021.
- 3% annual interest rate (0.25% monthly).
- Interest is computed as follows:
 - 7 months on cash outstanding from 11/1/21 to 5/31/21
 - 1 month on remaining balance to 6/30/22.
- 50% of the advance plus outstanding interest to May 31st will be withheld from the May 2022 apportionment.
- The remaining balance plus interest to June 29th will be withheld from the June 2022 apportionment.
- If for any reason the Charter does not generate special education funding, the charter will be responsible for immediate repayment of funds to EDCOE.

APPLICATION PROCESS

- Any time before **October 9, 2021**, please send an email requesting participation in the Cash Advance Program to: charterselpabusiness@edcoe.org
- The email should include the 20-day ADA report, or an indication of when the 20-day ADA report will be submitted.
- Upon receipt of the 20-day ADA report, EDCOE will generate the guarantee of repayment for signature. The guarantee for repayment must be received prior to **October 16, 2021**.

QUESTIONS

- Email: charterselpabusiness@edcoe.org or give us a call at (530) 295-2462.

