

Operating Cash Flow Options for Michigan Public Schools

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Many Michigan school districts experience periodic operating cash-flow shortfalls during a school year, which often make it necessary for these schools to borrow on a short-term basis to cover the shortfalls. These shortfalls typically are caused by the timing of State Aid payments, which do not align with the school year, the cyclical nature of property tax receipts and federal grants, and the consistency of expenditures throughout a given school year. Michigan law provides several borrowing options for school districts to cover operational cash-flow shortfalls during a school year.

We have prepared a summary of these borrowing options, available here:

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We invite you to contact us for further discussion.