

**Background:**

A cash flow forecast is an important treasury management tool that discloses the anticipated cash balance at the end of each month during the fiscal year. This forecast is used to assess the ability of the school to meet their current financial obligations (such as payroll). A cash flow forecast helps to identify potential issues with timing between the receipt of cash, and the disbursement of cash throughout the fiscal year.

**Cash Flow Requirements:**

Schools on intensive monitoring are required to use the CSI format. Schools not on intensive financial monitoring may choose to use the cash flow template provided by CSI, or to use a different format.

The cash flow must show for each month of the fiscal year:

1. line item deposits and disbursements
2. net cash flow
3. beginning cash balance
4. ending cash balance
5. any draws on or payments to lines of credit or other debt

This may require you to add revenue and expenditure line items that aren’t already included.

The cash flow forecast should be updated each month with **YTD actuals that tie to the corresponding bank statement**, and revised forecasts for future months.

**Each bank account needs to have its own cash flow forecast** that includes the cash activity in that account for all related funds (governmental, proprietary, and grants, etc.). Some schools have one bank account where all cash is pooled, and some choose to maintain multiple accounts for different purposes.

Contact CSI’s Director of Finance for any questions.