

**Town Council Policy Establishing a
Board of Education Reserve Fund for Capital Expenditures**

General Description

Establishment of a Non-lapsing Account for BOE as allowed by CT general statute 10-248a. Assets of the reserve account are to be used for capital expenditures which have been previously approved in the six year Capital Improvement Plan. Expenditures of a capital nature not previously approved in the six year Capital Improvement Plan will qualify for funding with prior Council approval.

Revenue Sources

Upon the recommendation of the Board of Education no later than June 30 of any fiscal year, and with the approval of the Town Council no later than July 31, amounts shall be transferred from the general fund Board of Education operating budget surplus, as deemed available at the end of any fiscal year. Funds to be transferred shall not exceed 1% of the amount appropriated to the Board of Education in the fiscal year. Investment income earned by the funds held in the fund will remain in the fund. The maximum amounts held in the Non-Lapsing Account fund may not exceed 3% of the amount appropriated to the Board of Education in the most recently ended fiscal year.

Allowable Expenditures

The fund is to be used for capital and non-recurring expenditures as identified in a previously adopted six-year capital improvement plan. Emergency conditions, repairs or replacements to capital items not previously included in the six-year capital improvement plan can be added with a recommendation by the Board of Education and approval by the Town Council. Emergency requests may be approved by the Council retroactively. All other projects or acquisitions from the fund will require pre-approval by the Town Council. Requests from the BOE to the Town Council will be acted on within 30 days. Upon the recommendation of the Board of Education and the approval of the Town Council, an appropriation shall be set up and designated for the project or acquisition for which it has been authorized and such unexpended appropriation may be continued until such project or acquisition is completed. Any unexpended portion of such appropriation remaining after such completion shall revert to said reserve fund. Any appropriation no longer needed upon recommendation of the Board of Education and approval of the Town Council, shall revert to said reserve fund. All expenditures of the fund must comply with the purchasing rules of the Town of Coventry and applicable requirements in the Town Charter concerning approvals by Town Meeting.

Closing the Fund

The fund, once established, will continue until action is taken by the Town Council to close such fund. The Town Council will not close the fund without a public hearing. If the fund is closed, any remaining balance will be returned to the general fund.

Adopted by the Coventry Town Council: June 16, 2014.