Book	Policy Manual
Section	(G) FINANCES
Title	Policy G126 - Capital Reserve Fund
Code	G126
Status	Active
Adopted	May 12, 2004
Last Revised	September 11, 2013
Last Reviewed	September 11, 2013

Policy Number: G126
Title: Capital Reserve Fund
Section: Finances

I. Purpose

The Joint Committee acknowledges the need to provide for the long-term investment of and stabilization of the financial resources of EASTERN by establishing a Capital Reserve Fund for the purposes of purchasing equipment and maintaining and renovating facilities.

II. Authority

The Joint Committee, in accordance with Section 18-1850.4 of the Public School Code of 1949, as amended, may establish a Capital Reserve Fund as a sound management practice to provide for the appropriation of any unencumbered funds remaining from the current and/or prior years' General Fund.

III. Guidelines

The Capital Reserve Fund may consist of: (a) monies transferred during any fiscal year from appropriations made for any particular purpose which may not be needed; and (b) surplus monies in the General Fund at the end of any fiscal year to the extent said surplus exceeds funds transferred from the unassigned Secondary General Fund Balance into the Capital Reserve Fund pursuant to the Budgetary Reserves Policy and Guidelines.

The following guidelines shall govern the establishment and maintenance of the Capital Reserve Fund and the appropriation of funds therein:

Money may be accumulated in the Capital Reserve Fund during a period not to exceed five (5) years from the date when the first payment was made into the fund, for the purpose of purchasing equipment or maintaining and renovating facilities.
The money in the Capital Reserve Fund shall be kept separate and apart from any other fund by the Business Manager of EASTERN. The money in the fund may be invested insecurities legal for the investment of sinking fund money of school districts.The interest earnings on these investments shall be paid into the Capital Reserve Fund.
Money in the Capital Reserve Fund may only be expended during the period of time for which the fund was created.
Money in the Capital Reserve Fund may be expended only for equipment purchases and facilities maintenance projects and for no other purpose.
Expenditures from the Capital Reserve Fund shall be included in the list of payments submitted for approval by the Joint Committee.
EASTERN shall annually show in its financial report the amount of money in the Capital Reserve Fund which shall at all times be properly identified as to purpose.
The Joint Committee will annually show in its budget the amount of money in the Capital Reserve Fund.

Adopted: 05/12/04
Revised: 9/11/13