TOWN OF ELLINGTON
FINANCE OFFICE
MEMO

Date: September 14, 2026
To: Board of Selectmen
From: Matt Evans, MPA, CPFO, Finance Officer/ Treasurer
Subject: Board of Education Unexpended Education Fund Ordinance

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I am requesting that the Board of Selectmen refer the attached proposed Board of Education Unexpended Education Fund Ordinance language to the Town Ordinance Committee for review and recommendation to the Board of Selectmen.

This Special Revenue Fund has been in place, but changes in Connecticut General Statutes allow for expanded purposes to which these funds may be used. Funds were originally restricted to special education and may now be used for educational purposes.

The Town of Ellington worked with KKC Law to draft the proposed ordinance. The Finance Department feels that it is appropriate to formally establish the Board of Education Unexpended Education Fund through an ordinance to remain consistent with creation of other funds.

Summary of the Fund:

> The Unexpended Education Fund is a special revenue fund established under Connecticut law that allows the Board of Education to retain up to 2% of its prior year's budgeted appropriation from any year-end operating surplus. The fund is held separately from the Town's General Fund, may earn and retain investment income, and exists solely to help offset or pay for authorized educational expenses in future fiscal years.
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> The Board of Education controls the fund and may authorize expenditures when needed, subject to the Town's normal appropriation and spending procedures. The fund can only be dissolved by the Board of Education after consultation with Town officials and legal counsel, and any remaining balance upon liquidation must be transferred to the Town.

Please let me know if you have any questions or require additional information.

Chapter 80: FUNDS

Article XII Unexpended Education Fund

§ 80-55. Creation, Purpose and Title.

Pursuant to Conn. Gen. Stat. 10-248a, the Town of Ellington does hereby authorize the creation of a special, non-lapsing fund to be known as the "Unexpended Education Fund." The purpose of the fund is to retain unexpended education funds for use in subsequent fiscal years to offset or defray costs incurred for authorized educational purposes.

§ 80-56. Contributions.

The Board of Education may, from time to time, deposit into said fund all or a part of any operating surplus from the prior fiscal year, subject to a maximum allocation of 2% of the total budgeted appropriation for education for that prior fiscal year.

§ 80-57. Investment of Fund Contributions.

Fund contributions may be invested, as deemed appropriate by the Ellington Finance Officer, in (a) certificates of deposit with either national or state banks located in the Town or any other Connecticut town, (b) cash deposits with mutual savings banks located in the Town or any other Connecticut town, or (c) securities in which public funds may lawfully be invested. All income derived from such investments shall be paid into the fund and become a part thereof.

§ 80-58. Fund Income.

The fund shall be in the custody of the Ellington Finance Officer and shall not become a part of the Town's general fund. The fund shall not be reduced or used for purposes other than those specifically provided in § 80-55 above. Except as otherwise specifically authorized in § 80-57 above, all fund contributions shall be deposited in an account wherein the fund's income shall accumulate until such time as expenditures from the fund are authorized by the Board of Education. The fund may be commingled, in the discretion of the Ellington Finance Officer, to maximize income and minimize management costs, provided that the fund shall always be accounted for as a separate fund.

§ 80-59. Fund Administration.

A. The Board of Education shall control the fund and shall, when it deems the situation appropriate, approve expenditures for the purposes contained in § 80-55 above.
B. Expenditures from the fund shall adhere to the regular appropriation rules and procedures governing Town expenditures.
C. The fund may be liquidated only by a decision of the Board of Education, after consultation with the Board of Selectmen, Ellington Finance Officer and the Town

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Attorney. Upon any such liquidation, any amounts in said fund shall be deposited into the Town of Ellington Undesignated Fund.

~~C.~~D. The Board of Education shall provide to the Board of Selectmen and the Board of Finance any reports required by Conn. Gen. Stat. 10-248a.

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