

Town of Westbrook Financial Policy

Policy #2012-04: Board of Education Capital Reserve

CAPITAL AND NON-RECURRING EXPENDITURE FUND

Background

1. Previously the balance of the unspent budget allocated to the Board of Education lapsed at the end of each fiscal year. There was no incentive for the Board to return unspent funds to the General Fund fund balance.
2. The practice of the Town to appropriate and contribute annually from the General Fund to reserves in the Capital and Non-Recurring Expenditure Fund (CNRE) for specific purposes, such as fire equipment, highway equipment, infrastructure maintenance, town buildings, etc., did not apply to the Board of Education. When the Board of Education submits project requests to the Town they are only funded on an ad hoc basis.
3. Public Act 10-108, codified as CGS 10-248a, effective July 1, 2010 for fiscal years ending June 20, 2011, the board of finance in each town may deposit into a non-lapsing account any unexpended funds from the prior fiscal year from the budgeted appropriation for education for the town, provided such amount does not exceed one percent of the total budgeted appropriation for education for such prior fiscal year.
4. The Board of Education requests that a capital reserve account in the CNRE be established and that it be funded in a manner to other Town agencies annually as well as receive any surplus funds available from the Board budget at the end of each fiscal year.

Policy

The Town of Westbrook hereby creates the Board of Education Capital Reserve Account in the Town's Capital and Non-recurring Expenditure Fund. This account will be credited with:

1. Any annual contribution included in the annual capital contribution from the General Fund which designates an amount to be credited to the BOE Capital Reserve;
2. Any unexpended balance of the Board of Education's General Fund appropriation, subject to the 1% limitation under CGS 10-248a. The amount to be transferred will be determined as a result of the town's audited financial statements.

The BOE Capital Reserve is subject to the same appropriation process for CNRE reserves:

1. The BOE adopts a resolution requesting the appropriation of funds from the CNRE reserves, on a form provided by the Director of Finance.
2. The BOE submits the resolution to the Town Board of Finance for action.
3. The Board of Finance appropriates the funds to a specific project account established by the Director of Finance.
4. Funds may be spent only for the purpose appropriated.
5. Upon completion of the project, any unexpended project funds will be returned to the BOE Capital Reserve.
6. Appropriation requests over \$20,000 must go to a Town Meeting for approval.

Issue /Revision Date	Approved by
April 17, 2012	Board of Finance