

MORRISVILLE BOROUGH SCHOOL DISTRICT

SECTION: FINANCES

TITLE: CAPITAL RESERVE FUND

ADOPTED: November 14, 2007

REVISED:

622.1. CAPITAL RESERVE FUND	
1. Purpose	The purpose of this policy is to set aside funds for future capital needs that will develop in the school district.
2. Authority	<p>The Board shall establish a Capital Reserve Fund. This fund shall receive its revenues on an annual basis, based on a twenty-five percent (25%) appropriation of the available general fund balance on the date specified for such a projection in keeping with other Board policy.</p> <p>In the event that this amount in a given year is less than the equivalent of one mill in real estate taxes, the Board will fund the difference from general tax revenues.</p> <p>Separate bank accounts titled Capital Reserve Fund-Physical Plant; and Capital Reserve Fund-Educational Equipment will be established; and cash equal to the appropriation will be transferred to those accounts and any interest earned on those accounts must remain in the Capital Reserve Fund Accounts. The intent of this policy is to set aside funds to be used exclusively for physical plant needs and educational equipment.</p>
3. Guidelines	<p><u>Capital Reserve Fund-Physical Plant</u></p> <p>Prior to June 30 of each year the administration shall present to the Board a proposed budget for Board approval of the intended operations and/or acquisitions to be funded from the Capital Reserve Fund-Physical Plant.</p> <p>It is the intent that this account be a revolving account and at no time shall the balance fall below \$50,000.00, unless for a Board determined emergency.</p> <p>No expenditure may be made from this account without being budgeted, except in cases of emergency. Emergency situations shall be determined by the Superintendent and brought before the Board prior to any such expenditures.</p>

Of the annual twenty-five percent (25%) appropriation of the available general fund balance, seventy-five percent (75%) shall be annually allocated to the Capital Reserve-Physical Plant Fund.

Capital Reserve Fund-Educational Equipment

Prior to June 30 of each year, the administration shall present to the Board a proposed budget for Board approval of the intended acquisitions to be funded from the Capital Reserve-Educational Equipment Fund.

It is the intent that this account be a revolving account, and at no time shall the balance fall below \$50,000.00.

No expenditure may be made from this account without being budgeted, except in cases of emergency. Emergency situations shall be determined by the Superintendent and brought before the Board prior to any such expenditures.

Of the annual twenty-five percent (25%) appropriation of the available general fund balance, twenty-five percent (25%) shall be annually allocated to the Capital Reserve-Educational Equipment Fund.