

Town of Chaplin - Board of Finance Policy #2021-nnn
Board of Education Non-Lapsing Education Carryover Account

A. Purpose.

The Board of Finance (BOF) is charged by State statutes with effective control of budget expenditures by both the Town and Board of Education (BOE). For the Board of Education, this control is limited solely to the bottom line dollar amount of its budget.

State statutes authorize the Board of Finance to establish a permanent Non-Lapsing Education Carryover Account for the purpose of defraying unanticipated and unbudgeted education expenses.

B. Statutory Requirements.

Connecticut General Statutes (C.G.S.) Title 10, Chapter 171, Section 10-248b governs the establishment and management of this non-lapsing account and is incorporated herein (see Appendix B).

C. Policies.

The Board of Finance (BOF) has established this Non-Lapsing Education Carryover Account in accordance with C.G.S. Chap 171, Sec 10-248a beginning with the year ending June 30, 2012 and subject to the following policies and procedures:

1. The Account has been established as a Restricted, General Fund account to be controlled by the Board of Finance and administered through the Town's Finance Office.
2. The Account has been established exclusively for Board of Education purposes.
3. The amount applied in any given year may not exceed one per cent of the total budgeted appropriation for education for that specific fiscal year.
4. The cumulative balance in this Account shall not exceed 2% of the current fiscal year Board of Education's budget. Once the Account balance reaches this level, no additional monies shall be applied to the Account.
5. Expenditures from the Account shall be made only for capital purchases and/or emergency expenses as determined by the Board of Finance. No money from this Account shall be used for any purpose which shall increase the Minimum Budget Requirement of the Board of Education as defined by the Connecticut General Statutes.
6. All expenditures from the Account shall be approved in advance by the Board of Education and the Board of Finance, and shall be subject to the same bidding and purchasing policies as other Board of Education expenditures.
7. The Account balance shall be jointly reviewed by the Board of Finance and the Board of Education annually.

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D. Procedures.

1. Additions to the Account:

- a. Following formal approval by Board of Education, the BOE shall submit a written request to the Board of Finance, prior to September 1st of the ensuing fiscal year, for the rollover of unexpended funds from the prior fiscal year Board of Education budget. This written request shall include the following:
 - 1) The amount of unexpended funds remaining from the BOE budget, together with the date of closure for the prior year's accounts (except for audit requirements).
 - 2) A final Budget-vs-Actual report for the prior fiscal year.
- b. Upon approval of the Board of Finance, unexpended funds from the Board of Education's annual adjusted budget in the General Fund, in an amount to be determined by the Board of Finance, shall be applied to the Non-Lapsing Education Carryover Account in any given year. The amount applied in any given year may not exceed one per cent of the total budgeted appropriation for education for that specific fiscal year.
- c. Upon approval by the Board of Finance, the Town Finance Office shall transfer the funds approved by the BOF directly from the General Fund balance to the Non-Lapsing Education Carryover Account.

2. Expenditures from the Account:

- a. Following formal approval by Board of Education, the BOE shall submit a written request to the Board of Finance for the expenditure of funds from the Non-Lapsing Education Carryover Account. This written request shall include the following:
 - 1) The amount, and detailed purpose, of the expenditure request and the reason(s) that the expenditure cannot be taken from the current year education budget.
 - 2) A current Budget-vs-Actual report for the current fiscal year.
- b. Upon receipt of the Board of Education expenditure request by the Board of Finance, such request shall be reviewed by the BOF in a timely manner, usually at the next BOF meeting. Upon coming to a decision the BOF will notify the BOE in writing, together with the BOF reasons should the request be disapproved.
- c. Upon approval by the Board of Finance, the Town Finance Office shall expend the funds approved by the BOF directly from Non-Lapsing Education Carryover Account.

E. Reporting:

The Board of Finance will review monthly financial reports generated by the Finance office in order to carry out its statutory obligation for budget monitoring and control,

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F. Examples.

None.

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Appendix B: Connecticut General Statutes (C.G.S.) Title 10, Chapter 171.

Sec. 10-248a. Unexpended Education Funds Account. For the fiscal year ending June 30, 2011, and each fiscal year thereafter, notwithstanding any provision of the general statutes or any special act, municipal charter, home rule ordinance or other ordinance, the board of finance in each town having a board of finance, the board of selectmen in each town having no board of finance or the authority making appropriations for the school district for 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 per cent of the total budgeted appropriation for education for such prior fiscal year.

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