

FAIRFIELD AREA SCHOOL DISTRICT

CAPITAL RESERVE FUND

8050

8050.1 General

The Board has the authority to create a Capital Reserve Fund under either Article XI of the Municipal Code or Article VI of the School Code. Since the Municipal Code is less restrictive than the School Code, the Board has created the Capital Reserve Fund using the provisions of the Municipal Code.

8050.2 Creation of Capital Reserve fund

“Any municipality shall have the power to create a special fund and to accumulate therein moneys for expenditure in accordance with the provisions of this act during the post war period. Such special fund may consist (a) of moneys transferred during any fiscal year from appropriations made for any particular purpose which may not be needed; (b) of surplus moneys in the general fund of the treasury of the municipality at the end of any fiscal year.

The municipality shall annually show in its budget the amount of moneys in the special fund.” [53 PS 1432]

8050.4 Investment of Fund; Budget; Record

“The moneys in the fund shall be kept separate and apart from any other fund by the treasurer of the municipality, and the moneys in the special fund may be invested by the corporate authorities of the municipality in securities legal for the investment of the sinking fund moneys of the municipality. The interest earnings on investments shall be paid into the special fund. The corporate authorities may sell any such securities and reinvest the moneys in other securities or convert such securities into cash when the same may be needed for expenditure under the provisions of this act.” [53 PS 1433]

8050.5 Expenditure of Funds

“The moneys in any such special fund may be expended by the municipality singly or jointly with the Commonwealth, or any department, or agency thereof, or with one or more other municipalities, only during the post war period, and only for capital improvements and for replacement of and additions to public works and improvements, and for deferred maintenance thereof, and for the purchase or the replacement of school buses, and for no other purpose.” [53 PS 1434]

Revised May 5, 1997