

Business and Non-Instructional Operations

Non-Lapsing Education Fund

The Putnam Board of Education may request the town's Board of Finance to deposit into a non-lapsing account any unexpended funds from the Board of Education's prior fiscal year general operating budget, provided that such amount does not exceed two percent (2%) of the total budgeted appropriation for education for such prior fiscal year pursuant to C.G.S. 10-248a.

Any expenditure from the Non-Lapsing Education Fund shall be authorized solely by the Board of Education. The Board of Education will vote to forward a request and explanation to the Board of Finance for use of funds from the Non-Lapsing Education Fund.

Consistent with Connecticut Statute 10-248a, the use can be for any educational purpose. The Board of Education may expend these funds for a designated specific purpose with an emphasis on one-time non-recurring expenses, or they may also be used for other extra-ordinary or emergency expenditures which may be necessary, but not otherwise budgeted for.

The Board of Finance shall create non-lapsing account and be responsible for the accounting of the funds in accordance with Governmental Accounting Standards and Generally Accepted Accounting Principles (GAAP). The account shall be subject to the annual audit, as required by State statute. The Board of Education will review the fund balance on an annual basis.

Each year, before August 31st, the Board of Education will forward a request to transfer unexpended funds from the previous year's budgeted education appropriation, to the Non-Lapsing Education Account. If the Board of Education wishes to add unexpended funds to the Non-Lapsing Education Account, it must receive approval from the Board of Finance.

Legal Reference: Connecticut General Statutes

10-222 Appropriations and budget

10-248a Unexpended education funds account (as amended by PA 19-117, Section 285)

Policy adopted: June 16, 2020

PUTNAM PUBLIC SCHOOLS
Putnam, Connecticut

MEMORANDUM OF AGREEMENT

Whereas Connecticut General Statutes 10-248a provides:

Sec. 10-248a. Unexpended education funds account. For the fiscal year ending June 30, 2019, 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 selectman 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 two per cent of the total budgeted appropriation for such prior fiscal year.

and;

Whereas, in exercising its discretion to expend its appropriation in accordance with Connecticut General Statutes (hereafter referred to as C.G.S 10-222), the Putnam Board of Education may decide to forego certain expenditures at the end of the year if it knows that the funds that would otherwise be spent will be available in subsequent years for expenditure to support school district operations; and

Whereas, the Putnam Board of Finance is willing to agree that it will deposit funds unexpended from the Board of Education appropriation that would otherwise revert to the Town at the end of the fiscal year, up to the statutory maximum of two percent of the total budgeted appropriation for education for that prior fiscal year, into a non-lapsing account that will be available to the Board of Education upon request for expenditure in subsequent fiscal years.

NOW THEREFORE, the Putnam Board of Finance (hereafter referred to as “BOF”) and Putnam Board of Education (hereinafter referred to as “BOE”) agree as follows:

1. In accordance with C.G.S. 10-248a, the BOF hereby establishes a non-lapsing account it hereby names Board of Education Carry-over Account, which shall be maintained in accordance with Governmental Accounting Standards and Generally Accepted Accounting Principles (GAAP). The account shall be subject to the annual audit as required by State statute. The BOE will review the fund balance on an annual basis.
2. If funds appropriated to the BOE by the Town pursuant to C.G.S. 10-222, remain unexpended at the end of a fiscal year, such funds up to a maximum of two percent of the total budgeted appropriation for education for said prior fiscal year shall be deposited into said BOE Carry-over Account.

3. The BOE agrees that its request for appropriation for any of such funds shall be for the sole purpose and strictly limited to educational purposes. The following priorities in expending such funds: safety and security measures, buildings and facilities upgrades, technology, and reserves for special education. The BOE reserves the right to expend such funds for other educational purposes, given that priorities may change over time. Notwithstanding the foregoing, the BOE may request an appropriation for reasons other than those set forth in the event of an emergency.
4. Each year, the BOE will forward a request to transfer unexpended funds from the previous year's budgeted education appropriation, to the Board of Education Carry-over Account. If the BOE wishes to add unexpended funds to said account, it must receive approval from the BOF.
5. This Agreement shall become effective and binding upon the parties hereto, upon the approval hereof by the affirmative vote of the board of each respective part, and the subsequent execution hereof.
6. This Agreement may not be modified orally, but only by written agreement between the parties hereto upon affirmative vote of the respective boards.
7. This Agreement shall terminate upon the following events (i) by agreement of the parties hereto; (ii) upon the non-lapsing account established herein having a zero (0) balance; (iii) 120-day written notification prior to the start of a new fiscal year from either party.

In Witness whereof, the duly authorized representatives of the parties have set their hands on the date(s) noted.

BOARD OF EDUCATION

BOARD OF FINANCE

Chairperson (*print name*)

Chairperson (*print name*)

Date

Date