

Attendance:

David Freedman, Board of Education
Kathy Hamilton, Board of Education
Ron Bienkowski, NPS Director of Business

• CALL TO ORDER

The Board of Education CIP/Facility/Finance committee meeting was called to order at 8:09am

• PUBLIC PARTICIPATION

None

• APPROVE MINUTES

Minutes of February 27 approved.

• COMMUNICATIONS/ANNOUNCEMENTS

Communication about Non-Lapsing Account from NPS Director of Business – see attached. Also, there was an expectation that the Board of Finance will take up this issue at its next regular meeting on April 14th.

• UNFINISHED BUSINESS

Discussion and possible action:

- *Recommendations for Board of Education Non-Lapsing Account*

The group discussed the memo sent by Mr. Bienkowski. Mr. Bienkowski discussed the timing of making a recommendation to put monies into the non-lapsing account. It would be his preference to tie the recommendation into the same timing as the year-end financial report. His concerns centered on closing out the books for the year and last minute unplanned expenses such as special education costs.

The following is the recommendation from the committee to the full Board of Education:

Adding Funds to the Non-Lapsing Educational Account

1. Each year, before August 31st, the NPS Business Director will recommend to the Board of Education an unexpended amount consistent with the Connecticut Statute 10-248a not to exceed 1% of the previous year's budgeted education appropriation to be placed into the non-lapsing education account.

2. 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. The transfer request will include each account number and the amount to be transferred. If known, the specific use for the funds will be communicated.

Removing Funds from the Non-Lapsing Educational Account

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 Educational Account. Consistent with the Connecticut Statute

10-248a, the use can be for any educational purpose. If appropriate, this request will also include a financial impact statement.

- **NEW BUSINESS**
None
- **PUBLIC PARTICIPATION**
None
- **ADJOURNMENT** – Meeting was adjourned at 8:48am.

Submitted: Kathy Hamilton, CIP/Facilities/Finance Committee Chair

From: Joanne Morris <morrisj@newtown.k12.ct.us>
Subject: Message from Ron Bienkowski - Section 10-248a Non-Lapsing Account
Date: April 3, 2014 1:34:05 PM EDT
To: Kathy Hamilton <KathyLHamilton@att.net>, David Freedman <dfboenewtown@hotmail.com>, Debbie Leidlein <boedebble@gmail.com>, John Reed <reedj@newtown.k12.ct.us>, Super Newtown <super@newtown.k12.ct.us>, Ron Bienkowski <bienkowskir@newtown.k12.ct.us>

1 Attachment, 498 KB

To All:

Attached please find information regarding subject.

- The recommendations are in the order of the Sub-Committee meeting minutes of 2/27/14. I have discussed and reviewed these with John Reed on 3/19/14.
- Survey results on this topic conducted by CASBO
- Sample policies/resolutions from five districts.

This information is provided for our sub-committee meeting Monday Morning.

Thanks for your review.

Ron Bienkowski

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Joanne Morris
Business Office Coordinator/District Test Coordinator
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[Section 10-...pdf \(498 KB\)](#)

Recommendations for the Board of Education Non-Lapsing Account

1. BOE identifies funds, in accordance with statute, to be placed in non-lapsing account. Time frame recommended is within the last quarter of the fiscal year and allowing enough time for the BOF to meet and act on. Source of funds should be identified as well as any anticipated future use, although no necessary.

The time frame should be, following the close of the fiscal year. The final balance cannot be determined in the last quarter of the fiscal year. The Board of Finance does not need to meet and act on this. It will be what it will be. The source of the funds will be the remaining balances as depicted on the year-end financial report usually completed and available in August of each year.

2. BOF meets and acts on BOE request and places funds into non-lapsing account designated for BOE future use.

Included in above statement, meets and acts are unnecessary steps.

3. Funds remain in account until request is formally made by BOE.

Appropriate.

4. BOE submits request to BOF and establishes purpose for use of funds. Request should follow process identified and consistent with a special appropriation request.

Board of Education submits request for use of funds. (Purpose is part of use). Process for special appropriation request is cumbersome. Perhaps reimbursements should be a simpler process. The "special appropriations" definition in the Charter references the need for which a requested appropriation is made without funds being appropriated. The funds in this Non-Lapsing account were appropriated as a result of the budget approval process from which the funds became available.

5. BOE provides rational and justification for request as well as any necessary financial impact statement should the funds be part of a longer-term obligation.

Rational and justification will probably normally be included in the preceding statement.

6. BOF meets and formally acts on request as well as providing a summary to the Legislative Council.

Appropriate. This process would include the same justification as reason to BOE.

7. Consideration needs to be given to the maximum amount that can be held in the account. Perhaps a limit should be imposed such as $\frac{1}{2}$ %.

The amount that may be placed in the account is stated in the law as "not to exceed one percent of the total budgeted appropriation for education for the prior fiscal year". The limit should be consistent with the statute. The prior fiscal year also backs up the point in number one above, that the deposit is made after the close of the fiscal year.

Why not maintain the maximum flexibility the law allows as there may be future consideration or project purposes that should not be limited by a ceiling. The statute allows local boards to have another flexible tool to address legitimate education needs.

8. What about a limit on how much you can take out of the account?

Same rationale as above, why limit the future, the report process of the Board of Education and Board of Finance will determine the appropriateness of the need.

9. Funds in account are for Board of Education use.

Yes.

10. Request should follow the process of an appropriation and be identified much like other funds. (i.e., Park and Rec funds)

Need more details on what this is but the above steps seem to address this issue.

11. Consideration should be given to the fact that the charter requires certain amounts to follow a certain process for approval and that this may or may not be appropriate for this particular process.

State law prevails over charter provisions in this situation.

Section 10-248a Unexpended Education Funds Account

<u>District</u>	<u>Town Established Fund</u>	<u>Control</u>	<u>Designated Use of Fund</u>	<u>Currently in Discussion with Town</u>	<u>Requested Establishment of Fund</u>	<u>Town Denied Request to Establish Fund</u>
Ansonia					No formal request made to Town but plan in the future	
Avon				Yes - town mgr has not yet placed on BOF agenda May 2013		
Berlin	Yes	BOE	Used for the expenses of maintaining the Public Schools			
Bethel	Yes	BOE	for opportunities and emergencies/contingencies/special education unanticipated expenses			
Bloomfield	Yes	BOE	Capital improvement projects			
Branford					No request made to the Town	
Bristol					BOE requested BOF June 2013	
Chaplin (Region 11)	Yes	BOE			BOF reviewing December 2012	
Columbia						
Cromwell	Yes	BOE	Capital expenditures (facility/building related)			
Coventry					BOE discussing	
Danbury				Yes - in discussions		Yes
Derby						
East Haddam	Yes	BOE				
East Hampton				Yes - beginning discussions		
East Lyme				Yes - beginning discussions		
Hamden					No request made to the Town	
Killingly					No formal request made to Town but plan in the future	
Madison	Yes	BOE	SPED external Placements			
Mansfield				Yes - beginning the process		
			Artificial turf field replacement and other extraordinary expenditures			
Milford	Yes	BOE	capital improvements and equipment purchases.			
Monroe	Yes	BOE				
Montville	Yes	BOE				

<u>District</u>	<u>Town Established Fund</u>	<u>Control</u>	<u>Designated Use of Fund</u>	<u>Currently in Discussion with Town</u>	<u>Requested Establishment of Fund</u>	<u>Town Denied Request to Establish Fund</u>
New Fairfield	Yes	BOE	capital improvements or equipment purchases			
New London					BOE reviewing with Town September 2013	
Newtown				Yes - in discussions	Requesting from BOF for FY14	
North Branford	Yes	BOE	Capital purchases			
North Stonington					Submitted proposal - hoping for set up by the end of the 2012-13 fiscal year trying again in FY14	
Norwalk	Yes	BOE				
Plymouth	Yes	BOE				
Preston					BOF reviewing 2012	
Putnam				Yes - in discussions		
Region 12	Yes	BOE				
Region 14 Bethlehem	Yes	BOE				
Rocky Hill	Yes	BOE	BOE has agreement with Town Council for a BOE Capital Account			
Somers			No			
Southington					No request made to the Town	
South Windsor	Yes	BOE	For SPED costs			
Stamford	Yes	BOE	Safety/security Bldg & Fac, SPED repayment of leases or other purposes as priorities change			
Stonington						Yes
Tolland	Yes	BOE	Education Non-recurring and unanticipated Expenditure Funding			
Trumbull	Yes	BOE				
Waterbury	Yes	BOE				
Westbrook	Yes	BOF	Capital and Non-recurring Expenditure Fund			
Wilton					No - but interested for the future	
Woodstock	Yes	BOE	for 5 year capital plan and/or emergency needs			
Wethersfield -						
Winchester	Yes	BOE	just for 2 years			
Count	25					

DRAFT DATED 10/4/12

**TOWN OF BERLIN
TOWN COUNCIL**

**RESOLUTION TO ESTABLISH A NONLAPSING ACCOUNT FOR THE
DEPOSIT OF UNEXPENDED EDUCATION FUNDS AND TO AUTHORIZE THE
BOARD OF EDUCATION TO APPROVE EXPENDITURES FROM THE
ACCOUNT**

WHEREAS, pursuant to Connecticut General Statutes § 10-248a, for the fiscal year ended June 30, 2011, and each fiscal year thereafter, the authority making appropriations for the school district for a town may deposit into a nonlapsing 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; and

WHEREAS, the Berlin Board of Education may, from time to time, have such unexpended funds in a fiscal year and may request that the Town Council, as the authority making appropriations for the Town of Berlin school district, approve the deposit of all or a portion of such unexpended funds into such nonlapsing account.

BE IT RESOLVED, that the Town Council hereby establishes the Unexpended Education Funds Account (the "Account") which shall be a nonlapsing account established pursuant to Connecticut General Statutes § 10-248a; and

BE IT FURTHER RESOLVED, that the Town Council may deposit into the Account all or a portion of any unexpended funds from a prior fiscal year from the budgeted appropriation for education for the Town, provided that such amount shall not exceed one per cent of the total budgeted appropriation for education for said prior fiscal year; and

BE IT FURTHER RESOLVED, that the Account shall be used for the expenses of maintaining the Town's public schools, which expenses may be incurred upon the approval of the Berlin Board of Education and paid by the Town as provided in Connecticut General Statutes § 10-248.

Berlin

Board of Finance motion

WHEREAS, Connecticut General Statutes §10-248a permits towns to establish a non-lapsing account from unexpended funds from the prior fiscal year from the budgeted appropriation for education provided such amount does not exceed one (1%) percent of the total budgeted appropriation for education for such prior fiscal year; and

WHEREAS, The Cromwell Board of Education is proposing establishment of such a non-lapsing account to be used for capital expenditures (facility/building related items) that shall be financed from unexpended funds in an amount not to exceed 1% of the Board's annual budgeted appropriation

NOW, THEREFORE BE IT RESOLVED, That the Cromwell Board of Finance, as fiscal authority for the Town, authorizes the creation of the non-lapsing account for the limited purpose of capital expenditures and the establishment within the Board of Education's Capital Account fund, in accordance with Connecticut General Statutes §10-248a.

MOREOVER, BE IT RESOLVED, That once the non-lapsing account is created, the monies initially transferred into the account from the Board of Education's unexpended fiscal year budget shall remain in the account and be available for the purpose of capital expenditures until exhausted by the Board of Education. After the initial transfer of unexpended funds is approved and occurs at the end of the 2012-2013 fiscal year, all future transfers of unexpended funds into the non-lapsing account created under Connecticut General Statutes §10-248a must be approved on an annual basis by the Cromwell Board of Finance.

Cromwell

Section: Business

**Subject: Budget Administration:
Non-Lapsing Education Fund**

P-3171

**Board Policy
Milford Public Schools
Milford, CT**

The Board of Education may request that the city's Board of Finance deposit into a non-lapsing account any unexpended funds from the Board of Education's prior fiscal year general operating budget, provided such amount does not exceed one percent of the total budgeted appropriation for education for such prior fiscal year pursuant to Connecticut General Statute Section 10-248a.

Any expenditure from the Non-Lapsing Education Fund established by the Board of Finance shall be authorized solely by the Board of Education.

The Board of Education may designate these funds for a specific purpose with emphasis on needs as identified in the Five Year Capital Improvement Plan (C.I.P.), but not otherwise funded in the C.I.P. The Board will expend these funds for such previously designated specific purpose except they may also be used for other extra-ordinary or emergency expenditures which may be necessary yet otherwise not budgeted for.

If the Board of Education wishes to add unexpended funds to the non-lapsing account, it must receive approval from the city's Board of Finance.

The Director of Finance of the City of Milford shall create the non-lapsing account and be responsible for the accounting of the funds in accordance with Governmental Accounting standards and Generally Accepted Accounting Principles (GAAP). It will be subject to the annual audit as required by State statute and the Charter of the City of Milford. The Director of Finance will provide a monthly reporting of the status of the account to the Chief Operations Officer.

The fund balance will be reviewed by the Board of Education on an annual basis.

Legal Reference: Connecticut General Statutes

10-248a Unexpended Education Funds Account

**Policy Submitted: July 9, 2012
Board of Education Approved: August 13, 2012**

**BOARD OF FINANCE SPECIAL MEETING
TUESDAY, JUNE 14, 2011
TOWN HALL**

Present: David Hosmer, Ronald Cabana, George McCoy, Elizabeth Murphy, Michael Dougherty; Frank Baran, Tony Walker, Karen Munroe, Barbara Rich

The meeting was called to order at 6:30 p.m. by Chairman Hosmer.

Motion by McCoy/Cabana to seat alternate Michael Dougherty as a voting member.
Unanimous.

#1. Approve Minutes of May 17, 2011 Meeting

Motion by Murphy/McCoy to approve the minutes of the May 17, 2011 meeting as presented. Unanimous.

#2. Discuss Non-Lapsing Education Fund

Board members were in favor of establishing a non-lapsing education fund under Public Act 10-108 Section 32 to allow the Board of Education to deposit any unexpended funds at the end of the budget year. There was discussion about the need to be aware every year at budget time of the balance remaining in this fund and any intended uses. The following policy, pertaining to the use of those funds, was adopted by the Board of Education and approved by the Board of Finance unanimously.

NON-LAPSING EDUCATION FUND

Any funds expended from the Non-Lapsing Education Fund established by the Woodstock Board of Finance, under Public Act 10-108 Section 32, shall be authorized by the Woodstock Board of Education.

The Woodstock Board of Education will utilize these funds on a priority basis, with emphasis on its Five Year Capital Plan and/or emergency needs.

The fund balance will be jointly reviewed by the Board of Finance and the Board of Education every three fiscal years.

#3. Citizens Participation – None

#4. Correspondence/Announcements – None

Motion by McCoy/Dougherty to adjourn. Meeting adjourned at 6:55 p.m.

Submitted,
Barbara Rich

From: Richard Rudl [mailto:rudlr@norwalkps.org]
Sent: Monday, March 24, 2014 1:55 PM
To: Don Meltabarger
Subject: RE: Unexpended education fund account

Hi Don,

We don't have a formal policy written as of yet. But we intend to bring one to our policy committee in the near future.

We did utilize the unexpended fund account last year at the end of the fiscal year, in which we carried over \$1.2 million. The process we have in place currently is in August we inform the board of our year-end unaudited results and the surplus funds we intended to request into the unexpended education account. The board has to approve the spending plan for those items then upon approval it goes to our City's Board of Estimate and Taxation for final approval. It sits on the City's books until we request the release of those funds, which have to mirror the spending plan the Board Approved and the Board of Estimate and Taxation approved. At that point the funds are released into the account specified in the BOE's operating budget. The only item we cannot use these funds for is re-occurring items that will add to our base budget (i.e Staff). Last year we used the funds to provide wireless infrastructure in our elementary schools, Textbooks and Facilities related repairs.

Hopefully this is helpful.
Thanks,

Richard Rudl
Chief Financial Officer
Norwalk Public Schools

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