

# FAIRVIEW SCHOOL DISTRICT

SECTION: FINANCES

TITLE: CAPITAL RESERVE FUND

ADOPTED: May 22, 1995

REVISED:

620. CAPITAL RESERVE FUND	
1. Purpose	It is the Board's intention to maintain a restricted capital reserve fund of not less than \$200,000 to provide resources for capital expenditures as required. Monies transferred to this fund are restricted and may be spent on capital items only.
2. Definition	<b>Capital expenditures</b> are defined as expenditures for long-term additions or betterments to real property properly chargeable to a capital asset account that are nonrecurring.
3. Authority	Upon a Board resolution and a two-thirds (2/3) vote of all members of the Board, monies from the capital reserve fund can be specifically earmarked for long-term debt repayment.  The capital reserve fund shall never be used to fund personnel costs, either directly or indirectly.  The Board shall be encouraged to transfer at least \$50,000 per year from the general fund to the capital reserve fund.