

Non-Lapsing Education Fund

The Bethany Board of Education (Board) may request the Bethany Board of Finance deposit into a non-lapsing account any unexpected funds from the Board's prior fiscal year general operating budget, provided such deposited amount does not exceed two percent (2%) of the total budget appropriation for education for such prior fiscal year pursuant to Connecticut General Statutes.

Any expenditure from the Non-Lapsing Education Fund shall be authorized solely by the Board of Education. Each expenditure from such account shall be made only for educational purposes.

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

Legal References: Connecticut General Statutes § 10-222
 Connecticut General Statutes § 10-248a, as amended

Policy adopted: January 8, 2020

MEMORANDUM OF AGREEMENT

This Agreement, made and entered into this _____ day of _____, 20__ by and between the Board of Education of the town of Bethany herein by _____, its Chairperson (hereinafter referred to as "BOE") and the Board of Finance of Bethany acting herein by _____, its Chairperson, duly authorized (hereinafter referred to as "BOF").

WHEREAS, Connecticut General Statutes 10-248a, as amended by Public Act 19-117, specifically authorizes the BOF to establish a non-lapsing account to deposit unexpended funds from the prior fiscal year's budgeted appropriation for educational purposes capped at two percent (2%) of the BOE operating budget for that year; and

WHEREAS, the BOE is desirous of establishing a non-lapsing account in accordance with the statutes; and

WHEREAS, although the BOF is not compelled by statute to establish such a non-lapsing account, the BOF is desirous of doing so to provide the BOE with an incentive to reduce costs, pursuant to the terms and conditions set forth herein, and

NOW, THEREFORE, in consideration of the BOF establishing a non-lapsing account in accordance with Connecticut General Statutes 10-248a, as amended, the parties hereby agree as follows:

1. The BOF shall vote to establish a non-lapsing account for the deposit of unexpended education funds from the fiscal 20__/20__ year to be used by the BOE in accordance with Connecticut General Statutes 10-248a.
2. The funds deposited in said account shall be and are subject to the additional appropriation process established pursuant to the Code of the town of Bethany that requires approval by both the BOF and the legislative body.
3. The BOE agrees that its request for appropriation for any such funds shall be for the sole purpose and strictly limited to educational purposes. The funds shall not be used for any other purpose. Notwithstanding the foregoing, the BOE may request an appropriation for reasons other than those set forth above in the event of an emergency.
4. The BOE acknowledges that the BOF is not compelled to establish said fund but is desirous of doing so only upon the consideration of the terms and conditions as set forth in paragraph 3.
5. The BOE hereby agrees to waive its right to request an appropriation for any funds established in the non-lapsing account established pursuant to this Agreement for any other purpose other than specifically set forth herein.
6. This Agreement shall become effective and binding upon the parties hereto upon the approval thereof by the affirmative vote of the board of each respective part and the subsequent execution hereof.
7. This Agreement does not bind the BOF to agree to deposit unexpended funds of the BOE in any future year but any such authorization to do so shall be in accordance with the terms herein.
8. This Agreement may not be modified orally but only by written agreement between the parties hereto upon affirmative vote of the respective boards.

Appendix 3171.1(b)

9. 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 the BOF to the BOE.

In Witness whereof, the parties hereto subscribe their names on the date and year first above written.

BOARD OF EDUCATION

BOARD OF FINANCE

Chairperson Signature

Chairperson Signature

Chairperson Printed Name

Chairperson Printed Name

Date

Date

Policy 3171.1 Form – Approved January 8, 2020