



Memorandum of Understanding End of Year Spending/CIP Funds

Rationale: This process is proposed to change the school division's practice of end of year spending, the county's use of unspent school funds to support a common goal of addressing the school's CIP needs. It also offers a clear definition of "capital Improvement" for both boards to follow as funds are expended from the school's CIP account.

ACPS will continue normal spending through June 30th and use the 2 month accrual process to close out the previous fiscal year's spending. In turn, the county agrees to transfer the amount of the unspent appropriation into the school's CIP fund. This amount will be determined using the county's final financial audit completed in the fall. (*Schedule of Revenues, Expenditures and changes in Fund Balance Report*)

The ACPS School Board and the Board of Supervisors agree on the following criteria for CIP projects and expenditures. CIP projects will include:

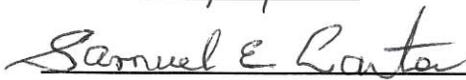
1. An addition of a permanent structural change, or
2. Repair, replacement, or restoration of some aspect of a property that will overall enhance the value of the property, increase its useful life, or adapt it to new uses, and
3. Must have a life expectancy of more than 1 year and
4. Must cost no less than \$20,000

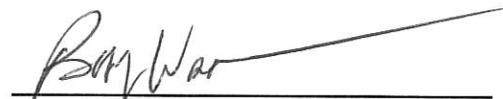
CIP account funds can be used to supplement maintenance projects but should not be used to supplant the budgeted maintenance funds. A formal CIP plan will be maintained and updated at least annually. The plan will designate funding sources as possible.

An end of year balance in the designated CIP account will be carried forward to a new fiscal year and will be advertised, and appropriated as part of the annual school budget. Additional funds will be appropriated after the final audit number of unspent funds is determined.

Approved:

Date: 5/30/2019


Sammy Carter, Board of Supervisors, Chairman


Bobby Waddell, School Board, Chairman