

REPAIR RESERVE FUNDS

P7220

The Board of Education may establish a repair fund to finance repairs of capital improvements or equipment. The General Municipal Law authorizes the Board to establish a repair reserve fund for repairs of capital improvements or equipment. Such funds are not to be used to finance routine or recurrent maintenance. For example, repairs to the steam heat boiler or the roof of a district-owned building could be made with money from a repair reserve fund. However, fixing a broken window or pipe cannot.

The Board may establish a repair reserve fund without voter approval. However, it must give notice and hold a public hearing before adopting a resolution appropriating money from the fund for eligible repairs.

In an emergency, the Board, by a five-sevenths majority vote, may expend monies from the fund without holding a public hearing. However, in such case, the Board must repay at least half of such money into the fund by the end of the fiscal year immediately following the year in which the money was spent; the remaining unpaid balance must be repaid into the fund by the end of the second subsequent fiscal year.

The assets of the repair reserve fund may be invested in special time deposit accounts or certificates of deposit issued by a bank or trust company situated and authorized to do business in the State of New York, or in obligations of the United States, the State of New York or of the school district.

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