

## **CAPITAL RESERVES – RESTRICTED CAPITAL FUNDS**

### **Background**

The Board, through the regular budget process, will create capital reserves for the purchase, replacement or upgrading of capital assets.

The Assistant Superintendent, Corporate Services is responsible for the administration of this administrative procedure.

### **Procedures**

1. The Board may establish the following types of Capital Reserves:
  - 1.1 Land and Land Improvements;
  - 1.2 Buildings and Building Improvements;
  - 1.3 Equipment;
  - 1.4 Vehicles.
2. In establishing Capital Reserves, the Board may take into consideration the following factors:
  - 2.1 Current values of assets – land, buildings, equipment and vehicles;
  - 2.2 Life expectancy of these assets and estimated replacement value;
  - 2.3 Current Five Year Capital Plan;
  - 2.4 Current Board budget plans and the financial plans of the provincial government;
  - 2.5 Current level of educational services being provided to students.
3. The Board shall, by resolution, approve all transfers to and from Capital Reserves.
4. Funds allocated in the annual system budget for the amortization of capital assets, other than for the funded amortization of school buildings, shall be transferred at August 31 of each school year into the Board's various Capital Reserves.
5. The Board may, by resolution, transfer into the various Capital Reserves any excess operating funds.
6. Expenditures from Capital Reserves may include all or any of the following:
  - 6.1 Land and Land Improvement.
    - 6.1.1 Installation and upgrade of utility services.
  - 6.2 Buildings and Building Improvements

- 6.2.1 Cost for modernization and new construction projects that are not supported by Alberta Education including Administration, Transportation, and Operations and Maintenance facility projects.
- 6.3 Equipment
  - 6.3.1 Purchase of equipment for system and school administration use.
  - 6.3.2 Purchase of major equipment items for Career and Technology Studies.
  - 6.3.3 Purchase of equipment items for use by Transportation and Operations and Maintenance.
  - 6.3.4 Purchase of computer hardware and software including that required for Local Area Networks and Wide Area Networks.
- 6.4 Vehicle
  - 6.4.1 Purchase of Operations and Maintenance vehicles.
  - 6.4.2 Purchase of school buses and other Transportation vehicles.
  - 6.4.3 Purchase of other approved vehicles.

Reference: Relevant Legislation & Guidelines