

# Long-Term Capital Improvement Trust Fund

Fund 46





# What is it?

A school board with an approved long-term capital improvement plan (minimum of 10 years) may establish a “trust” that is funded with a transfer from the general fund. The contribution from Fund 10 to Fund 46 (Long-term Capital Improvement Trust Fund) is recorded as the expenditure for **shared cost** and **equalization aid** purposes. Future expenditures from Fund 46 are not part of **shared costs**. A school board is prohibited from removing money deposited into Fund 46 for a period of **five years** after the fund is created. After the initial five year wait period is over, funds may only be used for the purposes identified in the approved long-term capital improvement plan. Fund 46 assets may not be transferred to any other school district fund.

Source: Wisconsin Department of Public Instruction

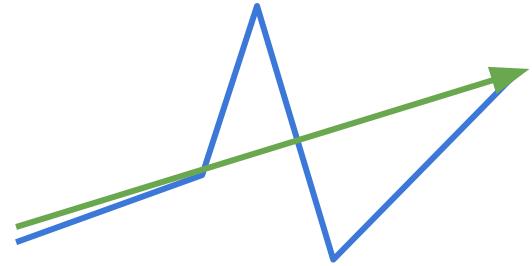
# What are the benefits?



Smoothing of Shared Costs =

Smoothing of State Aid =

Smoothing of Tax Levy



Ability to fund a larger project over the course of several years through segregated funds.



**FLEXIBILITY** in fiscal management.



# How do we establish it?

- Approve long-term capital improvement plan (minimum of 10 years)
- Approve creation of long-term capital improvement trust fund
- Approve budget adjustments to fund the long-term capital improvement trust fund
- Approve transfer of funds to fund the long-term capital improvement trust fund

**Questions?**

