

**Capital Non-Recurring Budget Savings Fund
Fund
Policy Statement**

1. Preamble

The Capital Non-Recurring Budget Savings Fund is being established to fund efficiency projects that have a positive return on investment of less than 10 years. The intention of this fund is to encourage budget owners to seek out cost saving measures. In order to fund this fund, funds will be appropriated from undesignated fund balance over the next few years equal to 4.5 times the amount of expected annual appropriations (ie. If the town expects to approve 500k a year, \$2.5 Million will need to be funded).

2. Policy

Capital Non-Recurring Budget Savings Fund
General Policy

- All expenditures from the Capital Non-Recurring Budget Savings Fund need to result in cost savings which provide a return on investment in less than 10 years.

3. Funding

A. Commencing with the 2015/2016 Fiscal Year, on an annual basis, the General Fund will fund the Capital Non-Recurring Budget Savings Fund utilizing a charge-back method.

- The charge back for the 2015/2016 Fiscal Year and beyond will be spread out evenly over a period not to exceed 10 years.

B. The level of expenditure request will be net of any items fully reimbursed from other than property tax revenue.

D. The level of expenditure will be approved by the Board of Finance as a part of the budgeting process. The balance of undesignated funds in the Capital Non-Recurring Budget Savings Fund account at fiscal year-end should be a positive.

4. Approval Process

Fund will function similar to the Capital Non-Recurring requests.

A. Board of Education requests will need the approval of the Board of Education, Board of Selectman, and Board of Finance

B. Town requests will need the approval of the Board of Selectman and the Board of Finance