

November 15, 2006

**ADOPT BOARD RULE 5-31
USE OF ROLL-OVER FUNDS**

THE GENERAL COUNSEL RECOMMENDS:

That the Board adopt Board Rule 5-31 regarding the use of roll-over funds.

TEXT:**Sec. 5-31. Use of Roll-Over Funds.**

A. Where the Board approves a budget for the current fiscal year that identifies roll-over unspent funds from the previous year's budget and authorizes the use of such funds in the current fiscal year budget, the Chief Executive Officer shall designate the roll-over funds for particular uses or projects and shall report the designations annually to the Board for approval.

Only the following specified funds which remain from the prior year's original budget are eligible for roll-over designation hereunder:

- (1) non-personnel general funds in school and central/area offices, and
- (2) school Public Building Commission O&M funds from the following accounts:
 - a. Commodities – Supplies;
 - b. Services – Contractual; and
 - c. Services – Repair Contracts.

B. Once designated, transfer of the roll-over funds to the designated account(s) is subject to Board approval and the use of the funds is subject to the following limitations:

- (1) roll-over funds will be expended within the current fiscal year;
- (2) no liability beyond the current fiscal year may be incurred in using the roll-over funds; and
- (3) roll-over funds may not be used to hire employees, except miscellaneous personnel as defined in Board Rule 4-3.f. whose positions will close at or before the end of the fiscal year.

This Rule does not apply to funds that are otherwise subject to federal or state requirements or grant agreement obligations regarding carry over.

Respectfully Submitted, 



**Patrick J. Rocks
General Counsel**