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| **Summary of Capital Projects Funds** |
|  | **FUND 41** | **FUND 46** | **FUND 49** |
| Source of Revenue | Expansion fund tax levy subject to Revenue Limit.  | Interfund transfer from Fund 10. | Proceeds from; Borrowing, Sale of Capital Assets, and Gifts. |
| Authority/Resolutions for establishment of the fund. | Annual MeetingWisconsin State Statute 120.10(10m**).** | School Board meeting Wisconsin State Statute 120.137. | None. |
| Use of Funds(Expenditures) | Capital expenditures related to buildings and sites only as approved at the Annual Meeting. | Capital projects per the approved long- term capital improvement plan.Initial five year waiting period. | Referendum and non-referendum capital projects. *District should research if there are any restrictions on the original revenues obtained to purchase the school land that was recently sold.  For example, were any of the original revenues from a gift, a state or federal grant that may have targeted those monies for a certain purpose? If there are restrictions the District should contact their legal counsel for further guidance.* *If there are no restrictions, then the next consideration, to define the appropriate coding, is to determine the intended use of the revenues collected from the sale of the land.*   |
| Shared Cost Increases | When expended, but costs are amortized over the number of years the tax was levied for the project. | When transferred from Fund 10 and deposited into the fund’s account. | None in Fund 49. If project is funded with long term debt, when debt payments are made. |
| Allowed Transfers **to** other funds | Only with approval at the Annual meeting.  | Not Allowed. | Transfer to debt service at the end of a project for debt related to the project. |
| Benefits | Amortization of expenditures levels out shared cost increases.Allows districts to set aside funds in segregated accounts for capital projects.Identifies planned expenditures for capital improvements including care and maintenance of facilities.  | Provides an end of fiscal year opportunity to reallocate funds to more fully expend the Fund 10 budget. Allows districts to set aside funds in segregated accounts for capital projects.Identifies planned expenditures for capital improvements including care and maintenance of facilities. | Allow districts to set aside funds in segregated accounts from the sale of property and gifts for future capital projects.Identifies expenditures for capital improvements including care and maintenance of facilities. |

**Capital Projects Funds**

Capital projects funds are used to account for financial resources used for the acquisition or construction of capital facilities. These include land, improvements to land, buildings and building improvements and infrastructure.

According to WUFAR, these funds are used to account for capital projects.

* Fund 41 is used for transactions financed with an expansion fund tax levy.
* Fund 46 is used for transactions financed with a transfer from Fund 10.
* Fund 48 is used for transactions financed with a TIF capital improvement tax levy.
* Fund 49 is used for transactions financed with bonds, promissory notes issued per statute. 67.12(12), and in some instances other sources of revenue such as gifts, grants, sale of capital equipment, buildings or sites. (Funds 44 QZAB and 45 QSCB are sub funds of 49.)

Further reporting information:

<http://dpi.wi.gov/sfs/finances/wufar/overview>

<http://dpi.wi.gov/sfs/finances/wufar/accounting-issues-examples>

**Capital Expansion Fund (Fund 41)**

[**Wisconsin State Statute 120.10(10m)**](http://docs.legis.wi.gov/statutes/statutes/120/I/10/10m)

Voters at an annual meeting must "vote a tax to create a fund for the purpose of financing all current and future capital expenditures related to buildings and sites." The resolution must be sent to the Department of Public Instruction for its files. The money may not be used for any other purpose unless authorized by a later annual meeting. Unified school districts may authorize the fund by a vote of the school board. The levy is included in the revenue limit calculation. Upon expending part, or all, of the fund, a district's shared cost is increased on an amortized basis. The amortized shared cost is determined by the number of years the district levies into the fund. See below for more information on establishing and reporting a capital expansion fund, and its effect on shared cost. (Add link to document and power point)

**Long Term Capital Improvement Trust Fund (Fund 46)**

[**Wisconsin Statute 120.137**](http://docs.legis.wi.gov/statutes/statutes/120/I/137)

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. (Add link to document)