

**Town of Lebanon  
Board of Finance  
Town Improvement Fund Policy**

A revolving account has been established for the Town Improvement Plan (TIP) for expenditures that meet eligibility requirements as set forth by the Board of Finance (BOF) policy.

General Description

To provide the Board of Selectman (BOS) with a funding source which shall be used to purchase, repair and maintain town assets for various departments and for projects that do not meet the requirements for Capital Funding.

Revenue Source

Appropriations to the TIP fund will be made through the annual budget process. Unexpended funds will carry over year to year. The fund shall not exceed 5% of the current fiscal year of the total General Town budget.

Allowable Expenditures from Account

The TIP fund will be used to fund authorized expenditures as listed within account and the sub accounts of the fund. Expenses will be tracked at the project level within the TIP fund.

- a.) Buildings & Grounds: Planned major repairs and improvement projects that cost less than forty thousand dollars, (\$40,000.00). Projects in excess of forty thousand dollars, (\$40,000.00), will be considered in the Capital Fund.
- b.) Furniture, Fixtures, Equipment: Items having a useful life of more than 1 year.
- c.) Rental of Equipment: Equipment that the town does not own but would be needed to complete non contractual irregular or unplanned projects.

Unallowable Expenditures:

The following expenditures are not allowable.

- a.) Items having a useful life of less than 1 year. Including but not limited to small office supplies, ie: Staplers, paper, cleaning supplies, computer supplies etc.
- b.) Routine planned and cycled maintenance for town buildings, facilities, building attachments & grounds.
- c.) Expenditures currently funded through departmental line items.

Approval Process

- 1.) Town Departments will request funding through the First Selectman's office/BOS who will determine the eligibility of the request.
- 2.) The BOS will take action on project requests below seven thousand five hundred dollars, (7,500.00). Requests in excess of seven thousand five hundred dollars (7,500.00) shall be documented and presented to the BOF for approval. Upon approval by the BOF the BOS may take action.

3.)Emergency funding that requires immediate action will be approved by the BOS. The BOS shall inform the BOF within [three (3)] business days of the nature of the emergency, the action taken and the cost.

#### Reporting

TIP fund will be accounted for in Fund 208. Reporting will be done on a monthly basis and presented at regular monthly meetings of the BOF by the Finance Office to include: summarization of appropriations, expenditures and current balances including any sub accounts, and approved projects, including all expenditures and balances associated with a project.

Sub accounts within fund 208 may be created with approval from the BOF providing these accounts meet the criteria as listed under the policy.

#### Modifications to the Fund

All requests for additions, deletions, or changes to the TIP fund policy shall be presented at a meeting of the Board of Finance and approved by vote of the Board of Finance.

#### Closing the Fund

The Fund, once established, will continue until action is taken by the BOF to close the Fund. If the fund is closed any remaining balance will be returned to the Unreserved/Undesignated Fund Balance.

Approved: November 15, 2016

Revised: May 18, 2021