



## FINANCE

### Capital Improvement Fund

#### 1. **PURPOSE**

The Capital Improvement Fund (the Fund) is an accumulation of funds used to cover the cost of expenditures for new projects. Projects include trust property development and enhancements, structures and equipment and components of trust property development and enhancements, structures and equipment that will have a useful life of more than one year.

#### 2. **SOURCES OF CAPITAL IMPROVEMENT FUNDS**

The Fund is funded solely in part or in whole from the collection of Amenity Fees as determined by the Board of Directors (BOD), per 40-5061-2 – Fees.

#### 3. **USE OF FUNDS**

The Fund may be used to purchase equipment or finance new projects that are not included in the reserve study or were not considered in the current year's operating budget.

#### 4. **AUTHORIZATION**

All capital expenditures require Board approval.

#### 5. **BANKING AND INVESTMENTS OF CAPITAL IMPROVEMENT FUNDS**

The Fund is maintained as a separate fund from the Reserve Fund. Guidelines for investing capital improvement funds are as follows:

- 5.1. The BOD shall exercise prudent fiscal management in maintaining the integrity of the Fund.
- 5.2. The BOD's primary goal in investment of the Fund shall be the preservation of the funds and the purchasing power thereof.
- 5.3. Liquidity of the Fund shall be managed to ensure that funds are available for approved projects.

#### 6. **WITHDRAWALS/TRANSFERS FROM CAPITAL IMPROVEMENT FUNDS**

- 6.1. The Director of Finance or delegated Finance staff is authorized to make withdrawals and transfers from the Fund, as necessary, to cover the payment of BOD-approved Fund expenditures.



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- 6.2. The Director of Finance will report the status of the Fund monthly as part of the finance report, delivered to the members of the Finance Committee.

#### Document History

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