May 6 2008

MEMORANDUM

TO: City and County Superintendents
    Chief School Financial Officers

FROM: Joseph B. Morton
       State Superintendent of Education

RE: PSF – Capital Purchase Funds

In order to assist local school boards in planning for summer maintenance projects and next year’s budget, we are reissuing the guidance for the expenditure of these funds that was originally issued on October 10, 1996. State law provides that these funds be used by local boards of education “for capital outlay projects, including the planning, construction, reconstruction, enlargement, improvement, repair, or renovation of public school facilities, for the purchase of land for public school facilities and for the acquisition and/or purchase of education technology and equipment” [Section 16-13-234, Code of Alabama, 1975].

PSF-Capital Purchase Funds are annual allocations that may be carried over to spend in subsequent fiscal years. These funds may be used for debt payments on capital projects subject to the annual approval of the State Department of Education. Purchased or leased equipment and the service agreements for these equipment items are allowable uses of these funds. Any expenditures defined as “public works” under the Public Works Law are allowable costs.

PSF-Capital Purchase Funds may not be expended for copier paper and supplies, office supplies, filters, replacement bulbs, and the salaries and benefits of maintenance employees.

If you have questions regarding the allowable uses of PSF-Capital Purchase Funds, contact Ms. Sonja Peaspanen at (334) 353-9886 or Mr. Dennis Heard at (334) 242-9747.

JBM:WCP:DWH
Enclosure
FY08-3068