

**RESCIND BOARD REPORT 96-0925-RS5, RESCIND 81-91-15 AND
RE-ESTABLISH POLICY ON USE OF PROCEEDS FROM THE SALE OF REAL ESTATE**

THE GENERAL COUNSEL RECOMMENDS:

That the Chicago Board of Education re-establish a policy on the use of proceeds from the sale of real estate.

BACKGROUND:

This policy was adopted April 28, 1981 but was rescinded by Board action on September 25, 1996. By re-establishing this policy we will ensure continued compliance with existing Internal Revenue Service requirements.

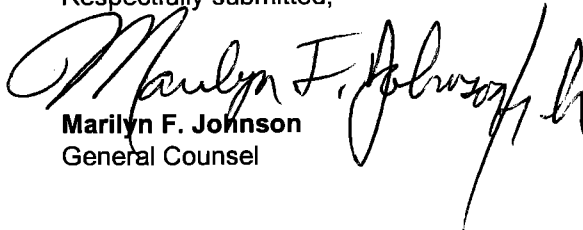
POLICY:

Amounts received from the sale of real estate including comment school lands and any investments purchased with such proceeds (not including earnings derived therefrom) in the Board's treasury shall be deposited in a "Capital Assets Account."

Amounts received from the sale of real estate deposited in the Capital Assets Account shall be used solely for any of the following purposes:

1. Erecting, purchasing or otherwise acquiring building for school purposes, including, without limitation, for the use of schools and school administration
2. Erecting additions to, rehabilitating modernizing and replacing existing buildings
3. Furnishing and equipping such buildings
4. Purchasing and replacing fixtures generally used in such buildings, and
5. Purchasing or otherwise acquiring and improving sites for any of the above specified purposes.

Respectfully submitted,


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