BOARD MEMO – ACTION ITEM

PUTNAM COUNTY COMMUNITY UNIT SCHOOL DISTRICT #535

Providing Foundations Together, Cultivating Individual Growth

To: Board of Education

From: Cody Martzluf, Superintendent

Date: Tuesday, November 17, 2026

RE: Resolution for Swaney Funds

Recommendations:

Approve Resolution for Swaney Funds

Background:

- In 1966, the Magnolia-Swaney School District consolidated into what is now Putnam County Community Unit School District #535. At the time of consolidation, the former Magnolia-Swaney Board of Education established a dedicated fund to support the continued improvement and enhancement of the former Swaney School campus, which now serves as Putnam County Junior High School.

- These funds, commonly referred to as the Swaney Fund, have been maintained by the District for approximately 60 years and have grown through accumulated interest and investment earnings. The current fund balance is approximately $41,500.

- As the District moves forward with improvements to the Junior High School campus, including the entryway beautification project and upcoming building renovations, utilizing these funds would honor the original intent of the former Magnolia-Swaney Board of Education.

- The District's auditor has previously interpreted the Swaney Fund as nonspendable principal, meaning only the accumulated interest and investment earnings could be utilized.

- The purpose of this resolution is to formally clarify the Board of Education's understanding that the original intent of the fund was to support improvements to the Swaney campus and that both the original principal and accumulated earnings may be expended for that purpose.

- Approval of this resolution will provide formal documentation to the District's auditor supporting the Board's position that the principal should not be classified as nonspendable solely because of the fund's historical designation. Any applicable restrictions on the use of the funds for the Junior High School campus would remain in place.

- This action honors the original intent of the former Magnolia-Swaney Board of Education while allowing these dedicated resources to directly benefit our students, staff, and community.

RESOLUTION AUTHORIZING THE EXPENDITURE OF MAGNOLIA-SWANEY FUNDS FOR IMPROVEMENTS TO THE PUTNAM COUNTY JUNIOR HIGH SCHOOL CAMPUS

WHEREAS, in 1966, the Magnolia-Swaney School District consolidated into the newly established Putnam County Community Unit School District #535; and

WHEREAS, following the consolidation, the former Magnolia-Swaney Board of Education established a dedicated fund and transferred those funds to the Putnam County Board of Education for the continued improvement and support of the former Swaney School campus; and

WHEREAS, the funds were specifically designated for improvements, renovations, beautification, and other enhancements to the Swaney campus, which currently serves as Putnam County Junior High School; and

WHEREAS, Putnam County Community Unit School District #535 has maintained these funds, commonly referred to as the *Swaney Fund*, with the balance growing over time through accumulated interest and investment earnings; and

WHEREAS, the Board of Education recognizes the foresight and commitment of the former Magnolia-Swaney Board of Education in establishing these funds to provide lasting benefits to the school and surrounding community; and

WHEREAS, the District is undertaking improvements to Putnam County Junior High School, including an entryway beautification project and other planned renovations and facility enhancements; and

WHEREAS, the Board of Education desires to honor the original intent of the Magnolia-Swaney Board of Education by utilizing these dedicated funds to support improvements that will benefit current and future generations of students, staff, and community members; and

WHEREAS, the Board of Education has determined that utilizing the entire available balance of the Swaney Fund for improvements to the Putnam County Junior High School campus is consistent with the original purpose for which the funds were established;

NOW, THEREFORE, BE IT RESOLVED, by the Board of Education of Putnam County Community Unit School District #535, Putnam, Marshall, and LaSalle Counties, Illinois, as follows:

Section 1. Authorization of Funds

The Board of Education hereby authorizes the expenditure of the entire available balance of the Swaney Fund, including the original principal and all accumulated interest and investment earnings, for improvements to the Putnam County Junior High School campus.

Section 2. Authorized Uses

The funds may be utilized for the entryway beautification project, building renovations, capital improvements, facility modernization, grounds improvements, and other enhancements that directly benefit the Putnam County Junior High School campus and are consistent with the original intended purpose of the fund.

Section 3. Recognition of Original Intent

The Board of Education formally recognizes and affirms the original intent of the Magnolia-Swaney Board of Education in establishing these dedicated funds following the 1966 consolidation. The expenditure of these funds for improvements to the former Swaney campus honors that commitment and ensures the resources continue to benefit the school community for which they were originally intended.

Section 4. Administrative Authorization

The Board of Education authorizes the Superintendent and District Treasurer to take all necessary actions to administer and expend these funds in accordance with applicable laws, accounting requirements, District policies, and the original restrictions governing the fund.

Section 5. Effective Date

This resolution shall take effect immediately upon its adoption.

Passed by a roll call yea and nay vote at a regular meeting of the Board of Education held in Granville, Illinois on November 17, 2026.

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President, Board of Education

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Secretary, Board of Education