**§ 6-j. Workmen's compensation reserve fund.** 1. The governing board of any municipal corporation, school district or fire district, which is, or shall hereafter become a self-insurer under the provisions of subdivision four of section fifty of the workers' compensation law or section thirty of the volunteer firefighters' benefit law may establish a reserve fund to be known as the workers' compensation reserve fund of such municipal corporation, school district or fire district.

2. There may be paid into any such fund (a) such amounts as may be provided therefor by budgetary appropriations and (b) such other sums as may be legally appropriated.

3. The moneys in such fund shall be deposited and secured in the manner provided by section ten of this article. The money in such fund so deposited shall be accounted for separate and apart from all other funds of the municipality, school district or fire district, in the same manner as provided in subdivision ten of section six-c of this article. The governing board, or the chief fiscal officer of such municipality, school district or fire district, if the governing board shall delegate such duty to him, may invest the moneys in such fund in the manner provided in section eleven of this article. Any interest earned or capital gain realized on the money so deposited or invested shall accrue to and become part of such fund. The separate identity of such fund shall be maintained whether its assets consist of cash or investments or both.

4. An expenditure shall be made from such fund only for the payment of compensation and benefits, medical, hospital or other expense authorized by article two of the workers' compensation law and by the volunteer firefighters' benefit law and expenses of administering the self-insurance program for such municipal corporation, school district or fire district.

5. If at the end of any fiscal year the moneys in such fund shall exceed the amounts required to be paid pursuant to subdivision four of this section plus any additional amount required to pay all pending claims, the governing board of the municipal corporation, school

district, board of cooperative educational services or fire district may, within sixty days of the close of such fiscal year, elect to: (a) transfer said excess, or any part thereof, to any fund authorized by this article or section thirty-six hundred fifty-one of the education law; and/or (b) apply said excess, or any part thereof to the budget appropriation of the next succeeding fiscal year.

6. If the municipal corporation, school district or fire district shall, after the establishment of such fund, cease to be a self-insurer, the moneys remaining in such fund may be transferred to any other fund authorized by this chapter or section thirty-six hundred fifty-one of the education law only to the extent that the moneys in such fund shall exceed in amount the sum sufficient to pay all expenditures authorized in paragraph numbered four, both accrued and contingent.