§ 6-m. Unemployment insurance payment reserve fund. 1. The governing board of any municipal corporation, school district, board of cooperative educational services, or fire district which has elected to become liable for payments in lieu of contributions required of employers liable for contributions under article eighteen of the labor law may establish a reserve fund to be known as an unemployment insurance payment reserve fund.

2. There may be paid into such fund (a) such amounts as may be provided therefor by budgetary appropriations, (b) amounts from any other fund authorized by this chapter by resolution subject to permissive referendum, and (c) such other funds 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 governing board, or the chief fiscal officer of such municipality, school district, board of cooperative educational services, or fire district, if the governing board shall delegate such duty to him, may invest the moneys in such fund in the manner provided by 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 as required by law to pay into the unemployment insurance fund an amount equivalent to the amount of benefits paid to claimants and charged to the account of such municipal corporation, school district, board of cooperative educational services, or fire district in accordance with the provisions of paragraph (e) of subdivision one of section five hundred eighty-one of the labor law.

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, board of cooperative educational services, or fire district shall, after the establishment of such fund, terminate its election to become liable for payments in lieu of contributions, 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 pending claims.