

Book	Policy Manual
Section	(G) FINANCES
Title	Policy G122 - Capital Items
Code	G122
Status	Active
Adopted	November 13, 1981
Last Revised	September 11, 2013
Last Reviewed	September 11, 2013

Policy Number: G122
Title: Capital Items
Section: Finances

Capital Items

I. Purpose

The School shall assess capital expenses among the participating school districts in accordance with the Articles of Jointure.

II. Authority

The Articles of Jointure establish the procedure for determining the participating school districts' support for the School's capital expenses.

III. Definitions

The following terms are defined as follows:

Capital Item - A capital item is any of the following:

Real estate

Buildings

Additions or extensions to existing buildings

Fixed assets

Lease rentals (as defined in the Local Government Unit Debt Act)

Fixed Asset - A fixed asset is equipment which is:

An integral part of a building; that is, it is permanently fastened to the building, and causes appreciable damage to the building if it is removed; or

It is permanently attached to a site and functions as part of the site (except buildings or other structures).

IV. Guidelines

All costs for capital items shall be divided among the participating school districts on the basis of the current market value of all property for each of the participating school districts as determined by the State Tax Equalization Board for the year immediately preceding the year the payment for such obligation or such capital outlays are budgeted, in the proportion that the same bears to the total current market value of real property of all participating school districts.

The acquisition and installation costs for equipment which meets the definition of fixed asset shall be treated as a capital expense, as opposed to a current operating expense. The acquisition costs of all other equipment not qualifying as a fixed asset shall be a current operating expense. In addition, the costs associated with retaining, maintaining, and disposing of capital items shall be a current operating expense.

The revenue, if any, received in connection with disposing of capital items shall be apportioned to the participating school districts on the same basis that capital costs are assessed.

Adopted: 11/13/91

Revised: 9/11/13