

FC - FACILITIES CAPITALIZATION PROGRAM

To finance the facilities program, the Board, as established by law, may at its discretion authorize an annual tax levy not to exceed 3 dollars per thousand dollars on the taxable valuation of the district for the capital outlay fund.

The capital outlay fund is a fund provided by law to meet expenditures on one thousand dollars or more for the purchase of land; improvement of grounds; construction of, additions to and remodeling of facilities; or for the purchase of equipment. It may also be used for installment or lease-purchase payments for the purchase of real property, plant or equipment, where the installment or lease purchase contract does not exceed 20 years, and for the payment of the principal and interest of capital outlay certificates. When used for the purchase of capital outlay certificates and the payment of installment or lease-purchase contracts, the total accumulated unpaid principal balances cannot exceed three percent of the taxable valuation. A school district, which contracts its student transportation may expend from the capital outlay fund an amount not to exceed fifteen percent of the contract amount. The capital outlay fund may be used to purchase textbooks and instructional software. The capital outlay fund may be used to purchase warranties on capital assets only if the warranties do not include supplies.

Construction of new facilities, or of additions to facilities which will require advertising for bids, must have a public hearing at least 10 days prior to the advertisement of any contract specifications. Following this public hearing and approval of the Board, the district may use the capital outlay fund for payment of the new construction or addition, however, the district may not change the originally advertised use of the fund without holding another public hearing.

In accordance with the law, the Board will develop and maintain a five-year plan on the annual projected revenues and expenditures for the capital outlay fund. The projected expenditures will itemize the projected costs for new or additional facilities.

The Highmore-Harrold School District designates that all purchases exceeding the amount of \$3000.00 will be considered capital purchases and will be listed on the fixed assets inventory.

Established by law

LEGAL REFS.: SDCL 13-16-6; 13-16-6.1; 13-16-6.2; 13-16-6.3; 13-16-6.4; 13-16-7; 13-16-8; 13-16-9.3

Adopted: Before 2009

Revised: July 13, 2009