DEFINITION OF CAPITAL

The manner in which towns will be assessed funds to support operating expenditures and/or capital expenditures, shall conform to the articles of agreement as follows:

Funds to support the operating budget shall be assessed as specified in Article 5 of the "Articles of Agreement."

Funds to support capital expenditures shall be assessed as specified in Article 6 of the "Articles of Agreement."

To be defined as a capital expenditure, an item or project must meet criteria 1 <u>and</u> 2 or 3 as follows:

1. The expected useful life of the item or project will be 10 years or more; and

2. The item or project has a projected cost in excess of $10,000

3. The item must be included in the 450 or 700 object budget category as defined on pps. A-62 and A-66 - 67 of the NH Financial Accounting Handbook for LEA's -1997 Edition.

It shall be the responsibility of the administration to recommend to the Board, during the budget development process, which item or projects meet the definition of capital.

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