



BUSINESS ADMINISTRATION

CAPITAL EXPENDITURES AND OPERATING EXPENDITURES 207

Rationale

By definition, capital expenditures and operating expenditures are different and should be indicated in separate areas of a schools budget. The following clarifies each category.

"CAPITAL EXPENSES" means:

1. expenses necessarily incurred by an authority for and incidental to the acquisition of assets of a permanent or semi-permanent nature,
2. expenses incurred in acquiring and developing sites for independent school purposes or for use in connection with,
3. expenses incurred in purchasing, constructing, reconstructing, making major alternations to, furnishing and equipping buildings for independent school purposes,
4. expenses incurred in acquiring vehicles and their accessories, and
5. contingent and other expenses necessarily incurred that are of a capital nature;

"OPERATING EXPENSES" includes:

All expenses necessarily incurred by an authority for and incidental to the administration, management, supervision and operation of independent school facilities and auxiliary services, and, without limitation, includes:

- a) expenses necessarily incurred by or on behalf of the authority, and employees of the authority, in the execution of their duties,
- b) salaries of teachers and all other employees and the expenses necessarily incurred in relation to the payment of them,
- c) cost of books, educational materials and supplies,
- d) expenses necessarily incurred in the operation, repair and maintenance, and minor alterations of buildings under the jurisdiction of the authority,
- e) expenses necessarily incurred in the maintenance of furniture and equipment and the replacement of worn out furniture and equipment,
- f) expenses incurred in operating auxiliary services,



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- g) cost of insurance coverage against liability on account of loss or damage to persons or property,
- h) contingencies and other expenses necessarily incurred that are not capital expenses,
- i) the cost of operating an independent school excluding the capital cost,
- j) expenses necessarily incurred in securing options for sites or buildings required for independent school purposes or for use in connection with them.

Reference:	Approved: Board of Directors
	Date Approved: Pre - 1996
Cross-reference:	Date(s) Revised: