

Kimberly School District

FINANCIAL MANAGEMENT 7810

Lease-Purchase Agreements

The Kimberly Board of Trustees may enter into lease-purchase agreements for goods, equipment, busses or portable classrooms, provided the written agreement meets the following requirements:

1. The annual lease payments shall reflect reasonable compensation for use;
2. No penalty shall be imposed on the district for proper cancellation of the lease;
3. The right of the district to exercise the option to purchase shall be at the sole discretion of the district;
4. The cost to the district to exercise the option to purchase shall be clearly stated in the lease. The cost shall be indicated on a yearly basis over the life of the lease including a cost at the end of the lease; and
5. The cost of purchase shall not exceed the reasonable value of goods, equipment, busses or portable classrooms as of the time the option to purchase is exercised.

LEGAL REFERENCE:

Idaho Code Sections 33-506(A)

Idaho Constitution, Article 8, Section 3

POLICY HISTORY:

Adopted: September 16, 2004

Revised: