

INSTRUCTIONS

APPROVED PRIVATE SCHOOLS FOR STUDENTS WITH DISABILITIES PRESCRIBED "COST OF OWNERSHIP" FORMAT FOR RELATED PARTY TRANSACTION REAL AND PERSONAL PROPERTY FOR THE 2017-2018 SCHOOL YEAR

The Department of Education's ("Department") prescribed cost of ownership form for related party transactions involving approved private schools for students with disabilities ("APSSD") must be submitted to the Department for **ALL** related party transactions, whether they relate to services provided, goods purchased, or lease of property/equipment.

This form must be prepared by the lessor/service provider/vendor (hereafter referred to as "lessor" for convenience) and attached to the applicable service agreement (lease, contract, etc.), with copies of both forwarded to the Department by the APSSD for every year the related party transaction(s) exists. The attached form must include the anticipated costs of ownership, which pertain to any real or personal property leased by the APSSD, or the cost of goods/services provided. For leases, until the lessor provides a final year-end accounting of the actual costs of ownership, the APSSD's accounting records may only reflect an allowable lease expense of an amount less than or equal to the "Total Lease Amount" shown in column (2) "Allocated to Private School Lease," on page 3 of this form.

The lease expense or cost associated with a service or purchase agreement that may be included in the certified actual cost per pupil is limited to the final year-end actual costs of ownership incurred by the related party plus a 2.5 percent return on the actual costs of ownership. See N.J.A.C. 6A:23A-18.6(a)(44)(i) and (v). The related party must provide this information to the APSSD.

Please note that if the related party transaction is not a lease, questions on the form related solely to lease agreements or property do not need to be answered. In addition to the form being signed by the lessor, notarized, and made part of the lease, a completed copy of the notarized form along with a copy of the lease or contract, as applicable, must be forwarded to doe.pssd@doe.state.nj.us, or by mail to the address below:

Approved Private Schools for Students with Disabilities
New Jersey State Department of Education
Division of Finance
Office of School Finance/Fiscal Policy and Planning
P.O. Box 500
Trenton, NJ 08625-0500

Please forward this completed form for the 2017-2018 school year to the above address by July 29, 2017 or within 30 days of entering into a new related party lease or service agreement. If an APSSD enters into a related party transaction during the school year, a completed form must be filed within 60 days of the transaction.

Please forward this information to the appropriate personnel in the APSSD's administrative offices, including the school business manager. If you have any questions concerning this form, please contact Elise Sadler-Williams at (609) 777-4483 or doe.pssd@doe.state.nj.us.

**APPROVED PRIVATE SCHOOLS FOR STUDENTS WITH DISABILITIES
 PRESCRIBED "COST OF OWNERSHIP" FORMAT
 FOR A RELATED PARTY TRANSACTION
 FOR THE 2017-2018 SCHOOL YEAR**

(To be completed and attached to all related party agreements)

1) Lessor/Service Provider

2) Lessee/Contracting Party (APSSD)

3) Type of Property Leased/Rented/Service Provided:

Real Estate	<input type="checkbox"/>	Other	<input type="checkbox"/>
Equipment	<input type="checkbox"/>		
Service	<input type="checkbox"/>		

4) Description of Property/Goods/Services: _____

5) Term of Lease/Contract from _____ to _____

6) Type of Lease (please check one): Open
 Closed

7) Annual Payment(s) for services or lease:

Year 1		Year 6	
Year 2		Year 7	
Year 3		Year 8	
Year 4		Year 9	
Year 5		Year 10	

8) Is this a sub-lease? If so, please attach a copy of the primary lease to this form.

Yes NO

9) Is the property leased by the APSSD also leased/used by another organization or individual? If

Yes NO

10) Does the lessor conduct other business on any portion(s) of the property leased by the APSSD?

Yes NO

11) If the lease involves personal property, does the lessor also lease equipment to other parties in addition to the APSSD?

Yes NO

12) When determining the Anticipated “Costs of Ownership” Per Year allocated to the APSSD agreement for services, the lessor must only include those costs specifically associated with the APSSD agreement for services, or an allocated portion based on square footage, usage or revenue, etc. as applicable. The “Costs of Ownership” must include anticipated dollar amounts in column (3) all other leases, column (2) allocated to private school lease, and the total of columns 2 and 3 in column (1) total.

Anticipated “Costs of Ownership” Per Year

Lessor _____ Lessee _____

<u>Description</u>	1 Total	2 Costs allocated to APSSD Agreement	3 Costs for all Other Agreements
1 Depreciation	<input type="text"/>	<input type="text"/>	<input type="text"/>
2 Mortgage Interest	<input type="text"/>	<input type="text"/>	<input type="text"/>
3 Real Estate Taxes	<input type="text"/>	<input type="text"/>	<input type="text"/>
4 Property Insurance	<input type="text"/>	<input type="text"/>	<input type="text"/>
5 Maintenance	<input type="text"/>	<input type="text"/>	<input type="text"/>
6 Repairs	<input type="text"/>	<input type="text"/>	<input type="text"/>
7 Insurance	<input type="text"/>	<input type="text"/>	<input type="text"/>
8 Operations	<input type="text"/>	<input type="text"/>	<input type="text"/>
9 Salary	<input type="text"/>	<input type="text"/>	<input type="text"/>
10 Fringe Benefits	<input type="text"/>	<input type="text"/>	<input type="text"/>
11 Materials/supplies	<input type="text"/>	<input type="text"/>	<input type="text"/>
12 Other (Itemize)	<input type="text"/>	<input type="text"/>	<input type="text"/>
Total Anticipated Costs	<input type="text"/>	<input type="text"/>	<input type="text"/>
Allowable Return @ 2.5% of Column		<input type="text"/>	
Total Lease/Service Agreement Amou:		<input type="text"/>	

If one or more of questions 9 through 12 on pages 1 and 2 were answered yes, please explain the method used to allocate costs between the PSSD lease/service agreements and all other leases/service agreements. Use the back of this page, if needed

NEW JERSEY STATE
DEPARTMENT OF EDUCATION
DIVISION OF FINANCE

AFFIDAVIT

I hereby certify that all information contained on pages 1 through 4 of this form and submitted to the Division of Finance, New Jersey State Department of Education by the undersigned is to the best of my knowledge accurate. I also certify that if applicable (see items 9-11), the costs associated to the private school lease were allocated equitably based on square footage, usage, revenue or another equitable allocation method as appropriate and the costs identified in column 2 are not the entire cost of the lessor.

(Date)

(Signature of Lessor)

This affidavit must be executed before an individual authorized by law to administer oaths

State of _____ Country
of _____ on the _____ day of _____,
20____. _____ personally appeared before me and is known
to be the individual described in, and who executed the foregoing instrument, and they duly
acknowledge to me, that they executed the same, and that the statements contained therein
are true.

(Signature of Public Notary)

(Signature of Lessor)

(Official Title)