



# BS&P Draft Financing Guidelines

## October 10, 2003 Strawman

- Generally, financing should only be used when necessary to stabilize rates from year to year.
  - Financing should be tied to specific items or projects to prevent structural deficits
  - Financing should be commensurate with the expected life of the item financed
  - If not required to moderate rate increases, projects should be expensed
- Items eligible for financing
  - Capital investments (buildings, furniture, computer equipment, etc.) with multi-year life
  - Software without annual license fees
  - Project costs with a long-term expected use (including hardware, software, man-power costs, building overhead, etc.)
- Items not eligible for financing
  - Operating costs (Recurring annual or ongoing expenses such as payroll, taxes, debt service, fees, telecommunications, building services, insurance, utilities, etc.)
  - Costs for studies, reports, evaluations, ongoing consulting activities
  - Legal costs