

<b>Kane County Financial Policies</b>	<b>Capital Improvement Policies</b>
	<b>Amended by the County Board: February 8, 2022</b>

## **CAPITAL IMPROVEMENT POLICIES**

### **1. Multi-year Capital Improvement Program (CIP):**

#### *Scope, format, preparation, and update of CIP*

It is the intent of the County to prepare/update a five-year capital improvement program each year. This program will include policies and plans for acquisition, maintenance, replacement, and retirement of capital assets. Any capital improvements that require associated operating costs will be reflected in the Operating Budget as well as the CIP budget. This will be a separate document from the Operating Budget document, although both will be prepared simultaneously. A CIP Budget calendar will be prepared that will run concurrently with the Operating Budget calendar.

### **2. Resources: Scope and funding sources**

It is the intent of the County to use multiple funding sources as resources for Capital Improvement Program funding. Operating, special revenue, one-time revenues, and other “pay-as-you-go” resources should be used to fund the Capital Improvement Program. Debt (e.g. leasing, bonds) will be the last considered option. Potential resources will be identified and recommended by the Finance/Budget Committee to the County Board for approval.

### **3. Spending priorities: New assets and asset replacement**

It is the intent of the County to place spending priorities on new and replacement assets. The County shall use the AICPA guidelines with regard to replacement/maintenance of assets. The County shall require written justification for the request of a new asset.