

In accordance with N.J.A.C. 6A:23A-18.5(a)(47), a related party transaction is defined as a transaction between parties in which one party to the transaction is able to control or substantially influence the actions of the other. Such transactions are defined by the relationship of the parties and include, but are not limited to, those between divisions of an institution; institutions or organizations under common control through common officers, directors, or members; and an institution and a director, trustee, officer, or key employee of the institution or his or her immediate family either directly or through corporations, trusts, or similar arrangements in which they hold a controlling interest. In accordance with N.J.A.C. 6A:23A-18.5(a)(47), a cost which is not allowable in the calculation of the certified actual cost per student includes rental costs for buildings and equipment or other services in excess of the actual allocated costs of ownership incurred by the related property owner including a 2.5 percent return calculated on the actual costs of ownership incurred by the related party.

Please complete this form, per the instructions contained on same, and forward this completed form for the 2014-2015 school year to doepsssd@doe.state.nj.us by July 25, 2014, or as appropriate during the year. If a private school for students with disabilities enters into a related party transaction during the school year, a completed form must be filed within 60 days of the transaction.

The form can be found at <http://www.nj.gov/education/finance/fp/psd/1415/annual.shtml>.

PRIVATE SCHOOLS FOR STUDENTS WITH DISABILITIES
PRESCRIBED "COST OF OWNERSHIP" FORMAT
FOR A RELATED PARTY TRANSACTION
REAL AND PERSONAL PROPERTY
FOR THE 2014-2015 SCHOOL YEAR

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

1. Lessor

2. Lessee

3. Type of Property Leased/Rented: ___ Real Estate ___ Equipment ___ Service

4. Description of Property _____

5. Term of Lease from _____ to _____

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

7. Annual Lease Payment(s): Year 1. _____ 2. _____

3. _____ 4. _____ 5. _____ 6. _____

7. _____ 8. _____ 9. _____ 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 private school for students with disabilities also leased/used by another organization or individual? ___ Yes ___ No If yes, see #12.

10. Does the lessor conduct other business on any portion(s) of the property leased by the private school? ___ Yes ___ No If yes, see #12.

11. If the lease involves personal property, does the lessor also lease equipment to other parties in addition to the private school for students with disabilities? Yes No If yes, see #12.
12. When determining the Anticipated “Costs of Ownership” Per Year allocated to the private school lease, the lessor must only include those costs specifically associated with the private school lease or an allocated portion based on square footage, usage or revenue, etc. 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.

W:\Annual Information\2014-2015\Related Party\2014-2015 Related Party Form and Instructions.doc

Anticipated “Costs of Ownership” Per Year
2014-2015

Lessor _____ Lessee _____

<u>Description</u>	<u>(1) Total</u>	<u>(2) Allocated to Private School Lease</u>	<u>(3) All Other Leases</u>
1. Depreciation	_____	_____	_____
2. Mortgage Interest	_____	_____	_____
3. Real Estate Taxes	_____	_____	_____
4. Property Insurance	_____	_____	_____
5. Maintenance	_____	_____	_____
6. Repairs	_____	_____	_____
7. Insurance	_____	_____	_____
8. Other (Itemize)	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
Total Anticipated Costs	_____	_____	_____
Allowable Return @ 2.5% of Column 2		_____	
Total Lease Amount		_____	

If one or more of questions 9 through 11 on pages 1 and 2 were answered yes, please explain the method used to allocate costs between the private school lease and all other leases. Use the back of this page, if needed.

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 _____ County 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)

Seal

(Official Title)