

1.21 Leases

Policy:

It is the policy of Licking/Knox Goodwill Industries, Inc. to establish certain guidelines regarding new and established leases including real property leases, capital leases, and operating leases.

Procedure:

Proposals for new leases and lease renewals, including real property and capital leases, shall be submitted to the CEO/President for authorization. Each proposal shall include a comprehensive cost analysis that supports the argument for leasing rather than purchasing the asset.

New leases and lease renewals over \$10,000 shall be submitted to the Board of Trustees for approval. Operating leases or operating lease renewals up to \$10,000 shall be approved by the CEO/President.

All new leases and lease renewals, including real property and capital leases, should be reviewed by an attorney experienced in leases, unless a current employee or Board Trustee has adequate experience or background in lease or real estate negotiations.

All cost increases, including shared cost increases, shall be analyzed by the CEO/President in addition to the Director of Retail or Director of Finance. The landlord shall be asked to submit actual invoices which support any increase(s) in shared cost.

Rent invoices shall be reconciled to the original lease document and/or any amendments thereto. Any additional amounts charged by the landlord shall be supported by actual invoices from third-party vendors.