

**INVENTORIES
(FIXED ASSETS)**

The Board of Education is charged with the stewardship of the assets and property of the School District. The Board is charged with maintaining accurate asset records to provide for the replacement of property in the event of a loss. As a result, a record of the assets and property of the School District is to be maintained.

An inventory of the fixed assets and property of the district is to be conducted or updated annually. The records are to be maintained in a manner consistent with providing documentation necessary for insurance purposes and for the preparation of financial statements in accordance with Generally Accepted Accounting Principles (GAAP).

For purposes of preparing financial statements in accordance with GAAP, the capitalization threshold shall be \$5,000 and have a useful life of not less than five (5) years. Lower thresholds will be put into effect when required by federal program guidelines. The Treasurer has the authority to require less valuable assets prone to theft or other forms of loss to be recorded for control purposes. The Treasurer also has the discretion to group less valuable assets into one unit to meet the standards described above, but is not required to do so.

Fixed assets are to be valued at historical cost OR, if that amount is not practicably determinable, at estimated historical cost. Historical cost is the amount of resources spent to purchase or construct the asset. Historical costs include ancillary charges necessary to place the asset into its intended location and condition for use. Ancillary charges include costs that are directly attributable to asset acquisition such as freight charges, site preparation charges and professional fees. If the estimated historical cost method is used, the Treasurer shall establish that cost. Donated fixed assets are valued at the estimated fair value at the time of acquisition.

Any item recorded on the property inventory of this School District must be recommended to the Treasurer for disposal, except if destroyed or otherwise made nonfunctional by casualty. Items destroyed by casualty must be reported to the Treasurer immediately upon the casualty occurrence for inventory removal and insurance purposes.

Building repairs and maintenance, including the physical replacement of portions of a building and related equipment shall be considered to maintain rather than extend the originally estimated useful life of the building, and therefore should be treated as a repair and not an improvement which represents additional value. Examples of this provision of the capital asset policy would include and not be limited to new entrance doors, windows or roofs. These type of costs should not be capitalized since they do not lengthen the building's originally estimated total useful life.

The Treasurer shall coordinate and maintain the fixed asset and property inventory. Treasurer may at any time, with or without notice to other employees, conduct a spot check of the fixed assets and property inventory of the district to ensure that assets are properly accounted for, protected and maintained. The Treasurer may obtain the assistance of an outside professional inventory company to maintain a viable fixed asset and property inventory system.

Fixed assets shall be classified as follows with the following useful lives:

- Land and Improvements (10 - 50 years)
- Buildings (25 - 50 years)
- Furniture and Equipment (5- 20 years)
- Vehicles (5 - 20 years)

PRIOR REVISION BOARD APPROVED ON OCTOBER 2, 2007

CURRENT REVISION ADOPTED JUNE 25, 2013, EFFECTIVE FOR 20012-13
SCHOOL YEAR