

## RSU #63

- a. **NEPN/NSBA Code:** **DIDA**
- b. **Title:** **Fixed Assets**
- c. **Author:** **Budget & Finance Committee**
- d. **Replaces Policy:** **NEW**
- e. **Date Approved:** **04/22/2019 RSU #63**
- f. **Previously Approved:** **NEW**
- g. **Policy Expiration:** **Review as Needed**
- h. **Responsible for Review:** **Superintendent/Budget & Finance Committee/Policy Committee**
- i. **Date Reviewed:** **04/01/2019 Superintendent**  
**02/05/2019 Budget & Finance Committee**  
**04/01/2019 Policy Committee**
- j. **References:**
- k. **Narrative:**

This policy establishes the minimum cost value (capitalization amount) that should be used to determine the capital assets, including infrastructure assets, that are to be recorded in RSU #63's annual financial statements in order to comply with the requirements of GASB Statement No. 34.

- I. This policy also addresses other considerations for recording and depreciating fixed assets in order to comply with the provisions of GASB Statement No. 34.
  - A. Capital Asset Definition: Capital assets will be defined as tangible and intangible assets that have initial useful lives that extend beyond a single reporting period.
  - B. Capitalization Method: All capital assets will be recorded at historical costs as of the date acquired or constructed. If historical cost information is not available, assets will be recorded at estimated historical cost by calculating current replacement cost and deflating the cost using the appropriate price-level index.
  - C. Capitalization Thresholds: RSU #63 establishes the following minimum capitalization thresholds for capitalizing fixed assets:

1. Land and Improvements	\$10,000
2. Buildings and Infrastructure	\$10,000
3. Vehicles	\$10,000
4. Machinery/Equipment	\$ 5,000

Detailed records will be maintained for all fixed assets above the established thresholds.
  - D. Infrastructure Assets: In accordance with GASB Statement No. 34, RSU #63 will record, at a minimum, "major" infrastructure assets as defined in Statement 34 that were acquired, constructed, or significantly reconstructed, or that receive significant improvements after June 30, 1980. Other infrastructure assets may be

capitalized as deemed appropriate. RSU #63 does not intend to use the “modified approach” to record infrastructure.

- E. Other Assets: Detailed records will be maintained at the discretion of the Superintendent of Schools for all items below the capitalization thresholds that should be safeguarded from loss. These items will be part of the annual physical inventory discussed below. These items include computer equipment that falls below the established thresholds and any other assets specified by the Superintendent.
  
- F. Depreciation and Useful Life: The Business Manager will assign an estimated useful life to all assets for the purposes of recording depreciation. The Association of School Business Official “Useful Lives” schedule will be used to establish lives for most assets. Asset lives will be adjusted as necessary depending on the present condition and use of the asset and based on how long the asset is expected to meet current service demands. Adjustments should be properly documented. Depreciation will be recorded based on the straight-line method using actual month convention and depreciated down to the assets salvage value.
  
- G. Safeguarding and Controlling Fixed Assets: All machinery and equipment, vehicles, and furniture will be assigned an asset number and identified with a fixed asset tag. A physical inventory will be taken annually on or about June 30 and compared to the physical inventory records. The results will be forwarded to the Business Manager where appropriate adjustments will be made to the fixed asset records.