

CAPITAL ASSETS ACCOUNTING PROCEDURES

In order to provide for the proper control and preservation of district capital assets, the Superintendent or designee shall maintain inventory records and account for capital expenditures.

Definitions

- Capital assets are defined as non-consumable assets with a normal service life of more than five years according to the procedures outlined by the Uniform System of Accounts for School Districts and GASB Statement 34 Regulations;
- Inventory is an itemized list of capital assets utilized to track and control property, and taking an inventory involves making a physical inspection or otherwise ascertaining the existence of capital assets and listing them in a systematic manner;
- Capitalization is an accounting treatment whereby an item is recorded as a long-term asset on the balance sheet rather than a consumable expense of the current period in accordance with GASB Statement 34 Regulations.

Inventory records and accounting for capital expenditures shall be maintained in accordance with the following guidelines for physical and financial purposes:

Inventory Records:

- All equipment items with a unit cost in excess of \$1,500 shall be inventoried;
- Other items shall be inventoried for accountability purposes by the responsible program administrator (Director), (i.e. graphing calculators, computers, musical instruments etc.) and/ or building principal. Building principals will be responsible for items located within their buildings, while program administrators (Directors) shall be responsible for items that were purchased out of their specific budgets (i.e. musical instruments);
- The Purchasing Agent will be designated the Property Control Manager and will be responsible for monitoring and tracking all equipment items district wide;
- All non-equipment capital assets costing in excess of \$15,000 shall be inventoried.

Capital Expenditure Accounting:

- Fixed assets having an estimated useful life of at least five years following the date of acquisition will be capitalized.
Capitalization thresholds will be applied to individual fixed assets rather than groups of fixed assets.

The threshold to be used for fixed assets is as follows:

	Physical	Financial
Land Improvements	\$15,000	\$15,000
Buildings and Improvements	\$15,000	\$15,000
Furniture and Equipment	\$ 1,500	\$ 5,000

Capital Assets Accounting Procedures (Continued)

The following information must be maintained on the equipment/fixed asset inventory:

- Name and description of property, including make and model;
- Location of equipment/property and department having custody of the equipment/property;
- Serial number and other identification number;
- Cost of the asset at acquisition, source of funds used to purchase the asset, vendor and voucher number for purchase;
- Acquisition date.

Donated items will be capitalized at a fair-market value on the date of the donation.

The district may choose to capitalize assets that individually fall below the capitalization threshold but may be purchased in large quantities (ie. library books, textbooks, graphing calculators, and computers).

All assets will be depreciated using the straight-line method. Useful lives will be determined in the year of purchase based on general guidelines obtained from professional organizations and assets present condition. Depreciation expense will be calculated beginning in the year of acquisition. Residual value will be considered.

The Purchasing Agent, also known as the Property Control Manager will at least annually review and update inventory records. The Purchasing Agent, along with the Administrator of Technology, will also be responsible for approving and tracking transfers of equipment between locations in connection with the program administrators and principals.

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