CASTLEWOOD SCHOOL DISTRICT 28-1

GENERAL FIXED ASSET CAPITALIZATION POLICY

It is the policy of the Castlewood Board of Education that all real and personal property meeting the criteria as a General Fixed Asset (GFA) as presented in the following shall be capitalized at actual cost or estimated cost based upon a reasonable estimate in those cases where it is not feasible to ascertain actual cost. Donated GFAs shall be recorded at their estimated fair value at the time received.

Depreciation will be charged on GFAs according to GASB.

All land not appropriately accounted for in a proprietary or trust fund shall be capitalized and recorded as a GFA.

All real property other than land not appropriately accounted for in a proprietary or trust fund shall be capitalized and recorded as a GFA.

Certain aspects of capital assets are required disclosures in the notes to financial statements.

General fixed assets are divided into five main classes: land, building, improvements other than buildings, equipment and construction work in process.

Equipment with an initial cost in excess of $5,000 and an expected life exceeding one year shall be included on the District's capital assets inventory listing for depreciation purposes. The business manager shall determine when equipment of a value less than $5,000 will be included to the listing to provide additional accountability for fixed assets. Buildings and building improvements shall be recorded as a capital asset when the initial cost exceeds $25,000. Improvements other than building improvements shall be recorded as a capital asset when the initial cost exceeds $10,000.

Assets	**Years**	**Depreciation Method**	**Capitalization Amount**
Land	N/A	N/A	All
Building	50	St. Line	$25,000
Improvements other than Buildings	15-25	St. Line	$10,000
Equipment and Vehicles	5-20	St. line	$5,000
Leases	2-25	St. Line	$50,000

(GASB 1400.102, 104)

All personal property shall be capitalized and recorded as a GFA when meeting all of the following:

(1) It is tangible in nature, not being consumed or losing its identity in use or incorporated into a different unit or substance.

(2) It has a useful life extending beyond the year of acquisition.

(3) It has an acquisition value of at least $5,000.

(4) It is a fixed asset not properly accounted for in a proprietary or trust fund.

In the acquisition of or additions to real property, plant or equipment, any expenditure of $1,000 or more shall be paid from the Capital Outlay Fund as required by SDCL 13-16-6. The $1,000 limitation shall apply to the total of each asset type on an invoice. Equipment purchases per invoice of less than $1,000 may be acquired from either the General or Capital Outlay Fund.

To fulfill accounting needs and satisfy fiduciary responsibility, a complete record of all general fixed assets must be established and maintained in a current and accurate condition, and control procedures must be implemented to insure the records are being properly maintained and the assets properly utilized.

The General Fixed Asset records shall be the responsibility of the business manager. The subsidiary record developed for each GFA should contain the information listed in the Inventory Policy. Documentation supporting all of this information should be developed and retained.

It may be necessary to make adjustments to the formal GFA subsidiary record because of errors found in some of the information recorded for an asset, assets located that are not on the records, or assets that are on the records but cannot be located. Because there are no entries to the record authorized without documentation supporting the entry and approval for the entry, it will be necessary to establish a file to retain documentation for these types of changes.