

FIXED ASSETS

The Board of Education shall maintain a fixed-asset accounting system to comply with governmental financial reporting standards to provide a basis for determining appropriate insurable values, and to establish responsibility for property control.

A. DEFINITION

Fixed assets shall include:

1. Land
2. Land Improvements
3. Buildings and Improvements
4. Vehicles
5. Furniture
6. Fixtures and Equipment

Fixed assets with a life expectancy of at least two years from date of acquisition are subject to the capitalization threshold.

B. CAPITALIZATION THRESHOLDS

The capitalization threshold, or minimum value, of a tangible fixed asset at time of acquisition is established at \$25,000 on a per unit basis for assets acquired with non-federal funds. For tangible-fixed assets acquired with federal funds, the capitalization threshold is established at \$5,000.

For financial reporting purposes the capitalization thresholds are applicable for fiscal year 2004.

C. PROPERTY ACCOUNTING

The treasurer shall ensure that the fixed-asset accounting system is maintained and updated annually. Assets acquired during the year shall be recorded as an expenditure against the appropriate capital expenditure account, which shall be used for financial reporting purposes. Assets shall be recorded in the fixed asset inventory by using an appropriate description and by recording serial numbers where applicable.

The school administrator is responsible for tangible-fixed assets in school buildings, and department managers are responsible for the tangible fixed-assets located in departments. The disposal or relocation of a fixed asset shall be reported to the treasurer or his designee in a timely manner.

FIXED ASSETS (Continued)

D. PROPERTY CONTROL

Assets that do not meet the definition of “fixed assets” as described in this policy, but in the aggregate account for a substantial asset group, shall not be capitalized for financial accounting purposes.

The Superintendent and Treasurer shall develop administrative procedures to ensure proper purchase, transfer, and disposal of fixed assets.

Examples of asset groups which shall be inventoried and maintained by the school/operating department separately from the district’s fixed assets inventory include:

1. Computers and Related Equipment
2. Cellular Telephones
3. Audio-Visual Equipment
4. Cameras
5. Lab Equipment
6. Any other moveable asset with high value as identified by the Superintendent and the Treasurer.

E. CONSTRUCTION-IN-PROGRESS

Major expenditures for capital assets and improvements are reported in the construction-in-progress (cip) account and capitalized upon completion. Interest incurred during the construction phase of capital assets and improvements in business-type activities are included as part of the historical cost of these capitalized assets.

F. DEPRECIATION METHOD

All assets will be depreciated using the straight-line method of depreciation over the useful life of the asset. The Superintendent and Treasurer will assign useful lives to each asset according to the guidelines below:

<u>TYPE OF ASSET</u>	<u>USEFUL LIFE</u>
Buildings & Improvements	30-50 years
Construction-in-progress	Not depreciated
Furniture, fixtures & equipment	3 – 15 years
Vehicles	5 years
Land	Not depreciated
Land Improvements	10-20 years

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