

Book	Policy Manual
Section	Policies for the Board
Title	EDGAR Revisions - February 2021 Revised ACCOUNTING SYSTEM FOR CAPITAL-ASSETS
Code	po7455
Status	First reading
Adopted	November 1, 1991
Last Revised	December 11, 2006
Last Reviewed	July 22, 2021

7455 - ACCOUNTING SYSTEM FOR ~~CAPITAL FIXED~~-ASSETS

The Board of Education shall maintain a ~~capital fixed~~-asset accounting system. The ~~capital fixed~~-asset system shall maintain sufficient information to permit the following:

- A. the preparation of year-end financial statements in accordance with generally-accepted, accounting principles
- B. adequate insurance coverage
- C. control and accountability

The Assistant Superintendent shall be responsible for the development and maintenance of the ~~capital fixed~~-asset accounting system. The Assistant Superintendent shall develop procedures to ensure compliance with all ~~capital fixed~~-asset policies. Each building principal shall be assigned ~~capital fixed~~-asset responsibilities.

~~Capital Fixed~~-assets are defined as those tangible assets of the District system with 1.) a useful life in excess of one (1) year 2.) and an initial cost equal to or exceeding the amount determined (X) annually (.) every (.) years in the District's administrative guidelines, \$ ———; 3.) which are capitalized in accordance with GAAP, and 4.) which the District intends to hold or continue in use over an extended period of time. If a single item does not meet the threshold amount, but is typically purchased in aggregate by the District, the Assistant Superintendent shall verify which items shall be classified as capital-assets and recorded at the time of purchase or acquisition. Further ~~S~~some items may be identified as "controlled" assets that, although they do not meet all ~~capital fixed~~-asset criteria, are to be recorded on the ~~capital fixed~~-asset system to maintain control.

~~Capital-Fixed~~-assets shall be classified as follows:

- A. ~~land~~land, buildings (facilities), equipment, and intellectual property (including software) whether acquired by purchase, construction, manufacture, exchange, or through a lease accounted for as financed purchase under Government Accounting Standards Board (GASB) standards or a finance lease under Financial Accounting Standards Board (FASB) standards, and
- B. ~~building~~building additions, improvements, modifications, replacements, rearrangements, reinstallations, renovations or alterations to capital-assets that materially increase their value or useful life (not ordinary repairs and maintenance).
- C. ~~improvements other than building~~
- D. ~~machinery and equipment~~
- E. ~~furniture and fixtures~~
- F. ~~vehicles~~
- G. ~~plant (aerator)~~
- H. ~~underground lines~~
- I. ~~construction in progress~~

J. ~~computers shall be identified as "controlled" and shall be monitored in the fixed asset management system~~

Leased ~~capital-fixed~~ assets and assets which are jointly-owned shall be identified and recorded on the ~~capital-fixed~~ asset system.

~~Capital-Fixed~~ assets shall be recorded at historical cost or, if that amount is not practicably determinable, at estimated historical cost. The method(s) to be used to estimate historical cost shall be established by the Assistant Superintendent.

The purchase of ~~capital-fixed~~ assets, the transfer of ~~capital-fixed~~ assets between buildings, and the disposal of ~~fixed capital-~~assets shall be initiated by the Assistant Superintendent and require the prior written approval of the Superintendent. An asset to be disposed of by sale which has a current value in excess of \$1,000 shall be sold. An auction shall be held at the discretion of the Assistant Superintendent when sufficient assets have accumulated to warrant the cost. The Assistant Superintendent shall establish minimum acceptable prices for assets sold at auction, or otherwise disposed of.

Accumulated depreciation shall be calculated on a straight line basis and be recorded for general ~~capital-fixed~~ assets.

The following information shall be maintained for all ~~capital-fixed~~ assets:

- A. description
- B. asset classification (land, building, equipment, etc.)
- C. location
- D. purchase price
- E. ~~vendor~~
- F. date purchased
- G. ~~voucher number~~
- H. estimated useful life
- I. estimated salvage value
- J. replacement cost
- K. accumulated depreciation
- L. ~~method of acquisition (purchase, trade in, lease, donated, etc.)~~
- M. appropriation
- N. ~~manner of asset disposal~~ date of disposal

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Last Modified by Amy Manchester on August 5, 2021