

The Board of Trustees of Minidoka county Joint School District No. 331 hereby adopts the following policy regarding the acquisition, use, disposal and management of property, equipment, buildings, facilities and other capital outlay items under their jurisdiction and control. This policy is to provide guidance for the safeguarding, stewardship, efficiency and effectiveness of use, and accountability of school district resource invested in fixed assets.

Delegation of Responsibility

The responsibility to coordinate the compilation and preparations of all information necessary to implement this policy is delegated to the Superintendent and Business Manager in cooperation with the District Accountant.

The designated individual shall be responsible for implementing the necessary procedures to establish and maintain a fixed asset inventory, including depreciation schedules. Depreciation shall be computed on a straight-line basis over the useful lives of the assets, using an averaging convention. Normal maintenance and repairs shall be charged to expense as incurred; major renewals and betterments that materially extend the life or increase the value of the asset shall be capitalized. A schedule of accumulated depreciation shall be consistent from year to year. The basis for depreciation, including groups of assets and useful lives, shall be in writing and submitted for review to the Board of Trustees.

The following requirements will be met:

Provisions

1. Definitions

- a. The term "Capital Outlay" refers to the buildings, improvements, machinery, equipment, furnishing, facilities, property and other resources purchased or otherwise acquired by the district to be utilized in accomplishing the district's goals for a period of time that extends beyond one (1) budget period and is over \$500.00.
- b. A Fixed Asset is a capital outlay item with a value in excess of \$5,000.00.
- c. A Group Asset is a collection of items to be used or located in one room (i.e. classroom set of student desks, a cart of iPads or laptops).

2. General Responsibility for Capital Outlay

School district personnel at all levels are responsible to the Board of Trustees for the safeguarding, stewardship, efficiency and effectiveness of use, and accountability for the capital outlay items under their jurisdiction and/or control.

3. Acquisition of Capital Outlay

Unless otherwise determined by the Board of Trustees, building principals, program directors, and grant administrators shall be deemed to be responsible for assuring that

capital outlay items under their control have been acquired in accordance with applicable statute, regulation and policy.

4. Utilization of Capital Outlay

The use of capital outlay assets shall be in accordance with all applicable federal, state, local and school district statutes, regulations, and policies. All district personnel shall share the responsibility for assuring that district capital outlay items are used efficiently and effectively in accordance with district policy to achieve the goals and objectives of the district.

5. Disposal of Capital Outlay

The disposal of all capital items requires board approval and shall be in accordance with all applicable federal, state, local and district regulations and policies.

6. Accounting and Reporting of Capital Outlay

- a. Accounting and records for capital outlay and fixed asset transactions shall be maintained in such a manner as to provide information to promote sound fiscal management.
- ~~b.~~ Definition of Fixed Asset: Fixed Asset is a capital outlay item with a value in excess of \$5,000.00.
- ~~b.~~ In order to associate debt with acquired assets, and to avoid net asset deficits, any asset that has been acquired with debt proceeds shall be capitalized, regardless of the cost of the asset.
- ~~c.~~ Any assets capitalized should be depreciated using their estimated useful life, not their amortization schedule.
- ~~d.~~ The district supervisors and principals shall be responsible for an annual physical inventory which shall be compared to the previous year's inventory. The fixed asset portion of each inventory will be confirmed using the district fixed asset reports.
- ~~d.~~e. The fixed assets system will be maintained by the Treasurer.

7. GASB 34 Reporting Requirements

- ~~7.~~ For the purpose of complying with GASB 34 reporting requirements. Fixed assets shall be reported as follows:
 - ~~a.~~ The Superintendent in Cooperation with the District's Accountant shall prepare the required Management Discussion and Analysis (MD&A). The MD&A shall be in the form required by GASB Statement 34 and shall be submitted to the Board for approval prior to publication.
 - ~~b.~~ Prior to submission of the MD&A for Board approval, the independent auditors shall review the MD&A, in accordance with SAS No. 52, "Required Supplementary Information."
 - ~~a.~~c. Buildings: All buildings constructed or purchased and/or additions to existing buildings shall be listed as a fixed asset at historical cost and depreciated over 30 years.

b.d. Equipment: Equipment purchased by the district with a value in excess of \$5,000.00 per item and group assets in excess of \$15,000, shall be listed as a fixed asset at cost and depreciated using the following chart.

<u>Asset Class</u>	<u>Examples</u>	<u>Estimated Useful Life</u>
Sprinkler/Fire System	Fire suppression system	25
Outdoor equipment	Playground, radio towers	
	Fuel tanks, pumps etc.	20
Machinery and Tools	Shop & Maintenance Equip, tools	15
Custodial Equipment	Floor scrubbers, vacuums, other	15
Kitchen Equipment	Appliances	15
Science/Engineering	Lab equipment, scientific app.	10
Furniture & Accessories	Classroom and office furniture	20
Business Machines	Fax, duplicating & Printing equip	10
Copiers		5
Communication Equip	Mobile, portable radios, non computer	10
Computer Hard/Software	PCs, printers, network etc.	5
Audio Visual Equip	Projectors, cameras (still and digital)	10
Athletic Equipment	Football, Weight machines, mats	10
Musical Instruments	Pianos, string, brass, percussion	10
Library Books	Collections	5
Grounds Equipment	Mowers, tractors, attachments	15

c. Vehicles: Vehicles purchased by the district with a value in excess of \$5,000.00 purchased within the last 10 years shall be listed as a fixed asset at depreciated value.

8. Group Asset Reporting

For group asset depreciation purposes, the estimated useful life of the group may be based on the weighted average or simple average of the useful life of individual items, or on an assessment of the life of the group as a whole. Periodically, the intermediate unit shall review the estimated life of groups of assets and adjust the remaining depreciation life of the group.

Assets that fall below the capitalization threshold for GASB 34 reporting purposes may still be significant for insurance, warranty service, and obsolescence/replacement policy tracking purposes. The intermediate unit may record and maintain these non-GASB 34 asset inventories in subsidiary ledgers.



LEGAL REFERENCE: Governmental Accounting Standards Board (“GASB”) Statement No. 34

ADOPTED: September 1994

AMENDED/REVISED: October 15, 1996, August 19, 2002, November 17, 2003; November 16, 2015