

Book	Policy Manual
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7455 - ACCOUNTING SYSTEM - 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 preparation of year-end financial statements in accordance with generally accepted accounting principles, adequate insurance coverage, control, and accountability.

Capital ~~Fixed~~ assets are defined as those tangible assets of the District with 1.) a useful life in excess of one (1) year 2.) an initial cost equal to or exceeding the amount determined periodically in the District's administrative guidelines, 3.) which are capitalized in accordance with GAAP, and 34.) 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 Treasurer shall verify which items shall be classified as capital ~~fixed~~ assets and recorded at the time of purchase or acquisition. Further, 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: 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 ~~land, additions, improvements, modifications, replacements, rearrangements, reinstallations, renovations or alterations to capitalfixed assets that materially increase their value or useful life (not ordinary repairs and maintenance), land improvements, buildings and building improvements, improvements other than building, machinery and equipment, furniture and fixtures, vehicles, and construction in progress.~~

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 actual, or if not determinable, estimated purchase price or fair market value at the time of acquisition. The method(s) to be used to estimate such price or market value historical cost shall be established by the Board Treasurer.

The Treasurer shall verify whether an expense should be recorded as an improvement to a capital ~~fixed~~ asset or maintenance cost. An improvement of a fixed asset significantly increases its value, life or capacity to serve, and should be capitalized and depreciated over its life. Maintenance restores a capital ~~fixed~~ asset to its original level of service and should not be capitalized.

Depreciation is the allocation of the cost of a capital ~~fixed~~ asset over its estimated useful life. Depreciation shall be recorded for funded capital ~~fixed~~ assets using the method(s) agreed upon by the Superintendent and the Treasurer.

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

- A. description (including whether the item was acquired in aggregate)
- B. asset classification (land, building, equipment, etc.)
- C. location
- D. purchase price/cost, or if not determined:

- 1. estimated cost/purchase price

2. estimated fair market value

3. contract price (including all related charges to place the capital~~fixed~~ asset in condition or in its place for the intended use), or

4. appraised value at the time of acquisition (if obtained by gift/donated)

E. vendor

F. date purchased/acquired

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

Last Modified by Regina Jutz on March 10, 2021