

BUSINESS PROCEDURES

Series 800

Policy Title: ~~Fixed~~ Capital Assets Management System

Code No.: 829

The school district will establish and maintain a capital assets management system for reporting capitalized assets owned or under the jurisdiction of the school district in its financial reports in accordance with generally accepted accounting principles (GAAP) as required or modified by law; to improve the school district's oversight of capital assets by assigning and recording them to specific facilities and programs and to provide for proof of loss of capital assets for insurance purposes.

Capital assets, including tangible and intangible assets, are reported in the government-wide financial statements (i.e. governmental activities and business type activities) and the proprietary fund financial statements. Capital assets reported include school district buildings and sites, construction in progress, improvements other than buildings and sites, land and machinery and equipment. Capital assets reported in the financial reports will include individual capital assets with an historical cost equal to or greater than \$5,000. The Federal regulations governing school lunch programs require capital assets attributable to the school lunch program with a historical cost of equal to or greater than \$500 be capitalized. Additionally, capital assets are depreciated over the useful life of each capital asset.

All intangible assets with a purchase price equal to or greater than \$100,000 with useful life of two or more years, are included in the intangible asset inventory for capitalization purposes. Such assets are recorded at actual historical cost and amortized over the designated useful lifetime applying a straight-line method of depreciation. If there are no legal, contractual, regulatory, technological or other factors that limit the useful life of the asset, then the intangible asset needs to be considered to have an indefinite useful life and no amortization should be recorded.

This policy applies to all intangible assets. If an intangible asset that meets the threshold criteria is fully amortized, the asset must be reported at the historical cost and the applicable accumulated amortization must also be reported. It is not appropriate to "net" the capital asset and amortization to avoid reporting. For internally generated intangible assets, outlays incurred by the government's personnel, or by a third-party contractor on behalf of the government, and for development of internally generated intangible assets should be capitalized.

~~To improve the school district's oversight of fixed assets by assigning and recording them to specific facilities and programs and to provide for proof of loss of fixed assets for insurance purposes, the school district will establish and maintain a fixed assets management system for reporting capitalized fixed assets owned or under the jurisdiction of the school district in its financial reports in accordance with generally accepted accounting principles (GAAP) as required or modified by law.~~

~~A separate fixed assets listing is prepared for fixed assets in the general fixed assets account group (GFAAG) and for the fixed assets of each proprietary and fiduciary fund. "Fixed assets" in the GFAAG will include school district buildings and sites, construction in progress, improvements other than buildings and sites, land, machinery and equipment. "Fixed assets" in the proprietary funds will include school district buildings and sites, construction in progress, improvements other than buildings and sites, capitalized interest, infrastructure, land and machinery and equipment. Fixed assets reported in the financial reports will include individual fixed assets with an historical cost equal to or greater than \$5,000. Fixed assets accounted for and reported in the proprietary funds are depreciated over the useful life of each fixed asset.~~

The **fixed capital** assets management system is updated monthly to account for the addition/acquisition, disposal, and/or relocation/transfer of **fixed capital** assets. It is the responsibility of the superintendent/designee to count and reconcile the **fixed capital** assets listing ~~for the general fixed assets account group and for each proprietary and fiduciary fund~~ with the **fixed capital** assets management system on June 30 each year.

It is the responsibility of the superintendent/designee to develop administrative regulations implementing this policy. It will also be the responsibility of the superintendent/designee to educate employees about this policy and its supporting administrative regulations.

Date of Adoption/Revision:

June 2004

July 2007

July 2010

August 2013

September 2016