

SUBJECT: ACCOUNTING OF FIXED ASSETS

The District defines capital assets as non-consumable assets with a normal service life of more than two years. In order to provide for the proper control and conservation of district property, the Superintendent or designee shall maintain Inventory Records and account for Capital Expenditures in accordance with the following guidelines:

Inventory Records:

- All equipment and non-equipment items costing in excess of \$2,500 shall be inventoried.
- All equipment and non-equipment capital assets will be sampled biannually to confirm their existence.

Capital Expenditure Accounting:

- Fixed assets having an estimated useful life of at least one year following the date of acquisition will be capitalized.
- Capitalization thresholds will be applied to individual fixed assets rather than groups of fixed assets.

Note: Property inventory requirements and capitalization thresholds are different subjects that are commonly confused because of their overlapping terminology.

- An inventory is an itemized list for tracking and controlling property.
- Capitalization is an accounting treatment whereby an item is recorded as a long-term asset on the balance sheet rather than as a consumable expense of the current period.

The following information must be maintained on the equipment/fixed asset inventory:

- Name and description of property
- Location of equipment
- Serial number and other identification number
- Cost of asset at acquisition
- Acquisition date
- Founding source
- Estimated useful life
- Method of disposal

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POLICY

2024

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Non-Instructional/Business
Operations

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Capitalization of Assets:

- Equipment and non-equipment items that cost more than \$2,500 will be capitalized and depreciated for GASB 34 reporting purposes.
- Equipment and non-equipment items costing less than \$2,500 shall be expensed for GASB 34 reporting purposes.
- Donated items will be capitalized at a fair-market value on the date of the donation.

Some assets individually may fall below capitalization threshold but may be purchased in large quantities by the district. Examples include technology equipment such as iPads or electronic devices. For these specific items, the district will capitalize these assets and depreciate them.

All assets will be depreciated using the straight-line method. Residual value will be considered.

Useful lives will be determined in the year of purchase based on general guidelines obtained from professional organizations and asset's present condition. Depreciation expense will be calculated beginning in the year of acquisition.

An outside professional appraisal will be performed every five years.

Adopted: 5/10/2016

Revised: 5/14/2019

Revised: