
The Board of Education directs the Superintendent of Schools to maintain a continuous and accurate inventory of property and equipment owned by the School District, in accordance with "The Uniform System of Accounts for School Districts." Capitalized inventory shall be inventoried and recorded on an annual basis.

The fixed assets accounts will serve to:

- a. Maintain a physical inventory of assets;
- b. Establish accountability;
- c. Determine replacement costs; and
- d. Provide appropriate insurance coverage.

Fixed Assets are defined as tangible items of a non-consumable nature, the value of which is \$1,000.00 or more and the normal expected life of which is two (2) years or more, Examples of fixed assets are land, buildings, equipment, fixtures, motor vehicles, audiovisual materials, and computer hardware.

Inventory Records

All fixed assets carrying a minimum value of \$1,000.00 that have a useful life of two (2) years or more, and physical characteristics which are not appreciably affected by use or consumption shall be inventoried and recorded by the School District on an annual basis.

Assets shall be recorded at initial cost, or, if not available, at estimated initial cost. Disposal of fixed assets which are obsolete or surplus shall be recorded at estimated fair market value at the time of the disposal, or in accordance with generally accepted accounting principles. A property record will be maintained for each asset and will contain, where possible, the following information:

- a. Date of acquisition;
- b. Description;
- c. Cost or value;
- d. Location;
- e. Estimated useful life; and
- f. Date and method of disposition.

Items to be included in the record of fixed assets shall be classified as follows:

Buildings and Improvements	\$ 10,000 or more
Equipment	\$ 1,000 or more
Computer Hardware	all
Cell phones	all

Whenever feasible, each piece of property will be tagged or marked with an identification number assigned by the School District.

Capitalization of Assets

- Equipment items that cost more than \$1,000.00 will be capitalized and depreciated for GASB 34 reporting purposes.
- Equipment items costing less than \$1,000.00 shall be expensed for GASB 34 reporting purposes.

For financial reporting purposes, fixed assets with a service life of more than two (2) years following the date of acquisition will be capitalized. Useful lives will be determined in the year of purchase based on general guidelines obtained from professional organizations and the asset's present condition. The School District will use the straight-line method of depreciation, and depreciation expense will be calculated beginning in the year of acquisition.

Cross-ref: 6010 Fiscal Controls
6600 Fiscal Accounting and Reporting

Ref:

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