

The Board of Education directs the Superintendent of Schools and or designee to maintain a continuous and accurate inventory of property and equipment owned by the district, in accordance with "The Uniform System of Accounts for School Districts." The inventory shall be maintained by the Business Office with the cooperation of all building and department administrators. All equipment purchased and received by the district shall be checked, logged, and stored through an established procedure (Inventories Policy #6640).

The fixed assets accounts will serve to:

- a. Maintain a physical inventory of assets;
- b. Establish accountability;
- d. 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 \$5000.00 or more and the normal expected life of which is two years or more. Examples of fixed assets are land, buildings, equipment, fixtures, motor vehicles, audiovisual materials, and technology equipment.

Inventory Records:

All fixed assets carrying a minimum value of \$5000.00 that have a useful life of two years or more, and physical characteristics which are not appreciably affected by use or consumption shall be recorded by the Business Office on a continuous 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 accomplished in accordance with the Disposal of District Property Policy #6900. 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;
- f. Date and method of disposition.

Whenever feasible, each piece of property will be tagged or marked with the district's identification Number (ID).

Capitalization of Assets:

- Equipment items that cost more than \$5,000.00 will be capitalized and depreciated for GASB 34 reporting purposes.
- Equipment items costing less than \$5,000.00 shall be expensed for GASB 34 reporting purposes.
- All non-equipment capital assets costing less than \$10,000.00 shall be expensed for GASB 34 reporting purposes.

For financial reporting purposes, fixed assets with a service life of more than two years following the date of acquisition will be capitalized. The district will use the straight-line method of depreciation, and depreciation expense will be calculated beginning in the year of acquisition.