



Book	Policy Manual
Section	7000 Property
Title	Copy of ACCOUNTING SYSTEM FOR CAPITAL ASSETS
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7455 - ACCOUNTING SYSTEM FOR CAPITAL ASSETS

The Board of Education shall maintain a capital asset accounting system. The capital asset system shall maintain sufficient information to permit the following:

- A. the preparation of year-end financial statements in accordance with generally-accepted, accounting principles
- B. adequate insurance coverage
- C. control and accountability

The **Assistant Superintendent of Finance and Budget** ~~Chief Financial Officer~~ shall be responsible for the development and maintenance of the capital asset accounting system. **The Assistant Superintendent of Finance and Budget** ~~The Chief Financial Officer~~ shall develop procedures to ensure compliance with all capital asset policies. Each Administrator shall be assigned capital asset responsibilities.

Capital assets are defined as those tangible assets of the District system with 1.) a useful life in excess of one (1) year 2.) and an initial cost equal to or exceeding the amount determined every two (2) years in the District's administrative guidelines, 3.) which are capitalized in accordance with GAAP, and 4.) 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 **Assistant Superintendent of Finance and Budget** ~~Chief Financial Officer~~ shall verify which items shall be classified as capital 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 asset criteria, are to be recorded on the capital asset system to maintain control.

Capital assets shall be classified as follows:

- A. 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
- B. additions, improvements, modifications, replacements, rearrangements, reinstallations, renovations or alterations to capital assets that materially increase their value or useful life (not ordinary repairs and maintenance).

Leased capital assets and assets which are jointly-owned shall be identified and recorded on the capital asset system.

Capital assets shall be recorded at historical cost or, if that amount is not practicably determinable, at estimated historical cost. The method(s) to be used to estimate historical cost shall be established by the Chief of Operations.

The purchase of capital assets, the transfer of capital assets between buildings, and the disposal of capital assets shall be initiated by the Chief of Operations and require the prior written approval of the Superintendent. An asset to be disposed of by sale which has a current value in excess of \$5,000 shall be sold at auction. An auction shall be held at the discretion of the Superintendent when sufficient assets have accumulated to warrant the cost. The Superintendent shall establish minimum acceptable prices for assets sold at auction.

Depreciation shall be recorded for fund capital assets using the method(s) agreed upon by the Superintendent and principals.

Accumulated depreciation shall be calculated on a straight line basis and be recorded for general capital assets.

The following information shall be maintained for all capital assets:

- A. description
- B. asset classification (land, building, equipment, etc.)
- C. location
- D. purchase price
- E. vendor
- F. date purchased
- 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

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Last Modified by Claudia Cabrera-Rodriguez on February 26, 2025