

INVENTORY AND MANAGEMENT OF ASSETS

The District’s capital assets include, but are not necessarily limited to, land, land improvements, buildings, building improvements, and infrastructure, as well as vehicles and certain machinery, equipment, software, works of art, and other tangible or intangible assets that are used in operations and that have initial useful lives extending beyond one fiscal year. Capital assets also include certain improvements, modifications, replacements, or renovations to capital assets that materially increase their value or useful life. The School Board’s expectation for the District’s capital asset management and accounting process is to ensure that the District’s procedures are sufficiently formalized and implemented to allow for adequate financial reporting, as assessed by the District’s auditors.

The Business Administrator, in consultation with the District’s financial auditors, shall be responsible for establishing a written schedule of capitalization thresholds applicable to particular capital asset classes. The schedule shall be structured to capture at least 80% of the value of the District’s total assets. The capitalization threshold established for single items within any of the asset classes shall not be less than \$5000.

Capital assets having an acquisition cost (or other relevant valuation) above the capitalization threshold of the applicable asset class shall be valued, inventoried, depreciated for financial accounting purposes when appropriate, and regularly tracked over time through the point of retirement, sale, or other disposition.

District procedures related to capital asset management shall also account for the appropriate identification, recording, and tracking of capital assets that are acquired using (1) federal funds, (2) capital borrowing, or (3) referendum funds that are subject to specific restrictions on use.

Nothing in this policy prevents the District from otherwise inventorying (recording, counting, and tracking) supplies, equipment, and other items that are not capitalized for financial reporting purposes. Further, the District shall appropriately inventory any such non-capitalized items if required by law or by the terms of any grant or contract.

***Legal References Disclaimer:** These references are not intended to be considered part of this policy, nor should they be taken as a comprehensive statement of the legal basis for the Board to enact this policy, nor as a complete recitation of related legal authority. Instead, they are provided as additional resources for those interested in the subject matter of the policy.*

Legal	Description
GASB 54	<u>Governmental Standards Board Statement 54 (GASB 54) Link effective as of 2024.4.4</u>

Federal Regulations	Description
2 CFR Part 200	<u>2 CFR Part 200</u>

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