

Series 800 – Business Procedures

Policy Title: CAPITALIZATION OF DISTRICT FACILITIES AND EQUIPMENT

Policy Code No. 805.3

It shall be the responsibility of the Superintendent or designee to maintain an ongoing accurate record of all capitalized district assets. Additions to or deletions from the district's capitalized assets will be at historic cost. The Superintendent or designee shall develop administrative policies and procedures to accurately account for all district facilities and equipment meeting the criteria of this Board policy.

Facilities

Construction of all new district facilities and additions to existing facilities will be capitalized on the district's financial reports. All actual costs related to construction will be included in the capitalized value of district facilities. These costs will include but are not limited to contractor costs, architectural fees and legal consulting fees associated with each respective construction project. Interest costs on debt incurred in a proprietary fund will be capitalized. Interest costs on debt incurred in a governmental fund will not be capitalized.

Activities associated with construction that will not be subject to this capitalization policy will include infrastructure improvements such as roof repairs or sidewalk replacement.

Equipment

All purchases of equipment that meet or exceed a \$500 cost will be capitalized by inclusion in the district equipment inventory and on the district's financial reports. Exceptions to the \$500 cost may be made on a case-by-case basis.

From time to time deletions of equipment from the district equipment inventory will be necessary as items are worn out or sold. Additionally, instructional and/or functional needs may dictate that equipment be relocated to a different district building from time to time.

The district's equipment inventory record will be updated to reflect all moves and/or deletions as they occur. A physical inventory of all district equipment will be completed every three years. In order to facilitate this, each year a physical inventory of approximately one third of the district's equipment shall be conducted. This physical inventory process will ensure the accuracy of the quantity and location of district owned equipment.

Depreciation

Facilities and equipment accounted for in the proprietary funds will be subject to depreciation as required by Generally Accepted Accounting Principles. The appropriate depreciation method used will generally follow standards set forth by the Governmental Finance Officers Association's publication entitled "Governmental Accounting, Auditing and Financial Reporting."

Facilities and equipment accounted for in the General Fixed Asset Account Group will also be depreciated according to GASB (Government Accounting Standards Board) #34 reporting requirements.

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Legal Ref.: Iowa Code § 279.8; 297.22; 297.25

Cross Ref.: Board Policy
803.1 Purchasing Policy
803.3 Purchasing Procedures
803.4 Receiving Supplies and Equipment