

MANAGEMENT OF CAPITAL 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 Board of Education'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 Director of Finance and Operations, 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 threshold established for single items within any of the asset classes is \$5,000.

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.

The District will inventory, record, count, and track supplies, equipment, and other items that are not capitalized and depreciated for financial reporting purposes that cost over \$500 and have an estimated useful life of three years.

Disposal of equipment, materials, and supplies determined to be surplus or obsolete shall be the responsibility of the district Director of Finance and Operations according to the following classifications:

1. Items having minimal or no resale value, as determined by the Administrator or Director of the area the item(s) originated from, may be offered without cost to charitable or civic organizations, or disposed of by the most expedient and efficient method without Board of Education approval.
2. Items having resale value, as determined by the Administrator or Director of the area the item originated from, shall be advertised and sold to the highest bidder. The Board of Education reserves the right to reject all bids.
3. Any items purchased with grant funds will be disposed of in accordance with uniform grant guidance.

Legal Ref: 120.10, 120.12, 120.14 WSS; WUFAR; 2 C.F.R. §200.33; 2 C.F.R. §200.94; 2 C.F.R. part 200 subpt. F; GASB No. 34

Cross Ref: 361 Rule, Procedures for the Selection and Reconsideration of Classroom Instructional Materials and Resources

Adopted: 12/18/78

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