

## CAPITAL ASSETS

This District maintains a capital asset system sufficient to permit the following:

1. the preparation of year-end financial statements in accordance with generally accepted accounting principles;
2. provide property insurance information and
3. provide control and accountability.

The District develops and maintains a capital asset system and develops procedures to insure compliance with all capital asset policies. To insure control over entity property, an individual in each building and/or department shall be assigned capital asset responsibilities and be designated to work with the Treasurer and Director of Business.

Capital assets are classified as follows:

1. land
2. building and improvements
3. furniture, fixtures and equipment
4. vehicles (autos, trucks and buses)
5. construction-in-progress

Capital assets are defined as those assets that are deemed to be tangible with a useful life in excess of five years and an initial cost exceeding \$5,000.

For purposes of financial reporting, capital assets only are considered. A straight line method of depreciation shall be used in determining current values of assets.

Leased capital assets and capital assets, which are jointly owned are identified and recorded on the capital asset system.

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

Donated capital assets shall be valued at their (estimated) fair value on the date received.

Control assets are those items with a value less than \$5,000 but are important to inventory for potential loss and insurance purposes. Musical instruments and technology with a value in excess of \$250, and furniture and fixtures with a value in excess of \$1,000, are considered control assets and will be inventoried.

The purchase of capital assets, the transfer of capital assets between buildings or departments and the disposal of capital assets shall be initiated by the building principals or department heads and approved of by the Director of Business. Property and goods purchased with federal funds also are subject to the disposal requirements outlined in the Uniform Guidance issued by the U.S. Office of Management and Budget (OMB).

The District assigns to each new asset meeting the criteria above and as deemed necessary a District inventory tag.

The District conducts through an independent contractor a complete capital asset inventory every five years by physical count, of all District-owned capital assets. Staff members shall participate in the continuous updating of the capital asset inventories and values as may be deemed necessary. The Fiscal Officer is authorized to contract for the annual and/or five year capital asset inventory and establishment of values for all real estate and equipment.

A computer generated listing of all furniture, fixtures and equipment will be supplied to each building and department. This listing will be updated annually by the close of school, or not later than the second Friday in June of each year.

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LEGAL REF.: ORC 117.38  
3313.20; 3313.41  
2 C.F.R. Part 200

CROSS REF.: DECA, Administration of Federal Grant Funds