

CENTENNIAL SCHOOL DISTRICT

SECTION: FINANCES

TITLE: FIXED ASSETS

ADOPTED: October 27, 2015

REVISED:

	<p style="text-align: center;">622. FIXED ASSETS</p> <p>1. Purpose The Board recognizes the need to implement required accounting and financial reporting requirements.</p> <p>2. Definitions The following terms when used in this Policy shall have the following meanings unless the context clearly indicates otherwise:</p> <ol style="list-style-type: none"> 1. GASB shall mean the Governmental Accounting Standards Board. 2. STATEMENTS or GASB STATEMENTS shall mean Statements of Governmental Accounting Standards adopted by GASB. 3. CAPITAL ASSETS shall have the same meaning as defined in the applicable GASB Statement. The term generally includes land, improvements to land, easements, buildings, building improvements, vehicles, machinery, equipment, works of art, historical treasures and Infrastructure Assets. Capital assets are both tangible and intangible assets used in operations and have initial useful lives extending beyond a single reporting period. Equipment will not change its original shape, appearance or character with use and it can be expected to last more than one (1) year with reasonable care and maintenance. 4. INFRASTRUCTURE ASSETS shall have the same meaning as defined in the applicable GASB Statement. The term generally includes assets that are long-lived capital assets that normally are stationary in nature and can normally be preserved for a significantly greater number of years than most capital assets. Infrastructure includes site improvements such as parking lots and sidewalks, as well as fiber-optic systems for computer networks or consulting on acquisitions. <p>3. Policy Statement The Business Administrator has the following duties:</p> <ol style="list-style-type: none"> 1. The responsibility to comply with all applicable GASB Statements; 2. The responsibility to coordinate the compilation and preparation of all information necessary to implement this policy;
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<p>4. Guidelines</p>	<ol style="list-style-type: none"> 3. The responsibility that an effective and efficient Fixed Asset System is used and kept up to date; 4. The responsibility to account for Fixed Assets in accordance with Applicable Law and applicable GASB Standards. 5. The responsibility that Fixed Assets are entered into the Fixed Asset System no later than when the item is paid for; 6. The responsibility to ensure that an effective and current inventory is maintained; 7. The responsibility to tag fixed assets except where tagging is impracticable or where tagging would not add to meaningful control of the asset; 8. The responsibility to ensure that where no tag is used, the Fixed Asset System so noted; and 9. The responsibility to prepare the required Management Discussion and Analysis (MD&A). The MD&A shall be in the form required by GASB Statement 34 and shall be submitted to the Board for approval, prior to publication. <p>Prior to submission of the MD&A for Board approval, the district's independent auditors shall review the MD&A, in accordance with SAS No. 52, "Required Supplementary Information".</p> <p>In order to associate debt with acquired assets and to avoid net asset deficits, any asset that has been acquired with debt proceeds shall be capitalized, regardless of the cost of the asset. The asset life of these assets shall be considered relative to the time of the respective debt amortizations but in accordance with District procedures. For all other assets not acquired by debt proceeds, the dollar value of any single item for inclusion in the fixed assets accounts shall be not less than \$1,500 but may include all technology items in one group.</p> <p>For group asset depreciation purposes, the estimated useful life of the group may be based on the weighted average or simple average of the useful life of individual items, or on an assessment of the life of the group as a whole. Periodically, the District shall review the estimated life of groups of assets and adjust the remaining depreciation life of the group. The capitalization threshold shall be set at a level that will capture at least eighty percent (80%) of all fixed assets.</p>
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The assets listed below do not normally individually meet capitalization threshold criteria:

1. Library books.
2. Classroom texts.
3. Classroom furniture.

These asset category costs shall be expensed.

Assets that fall below the capitalization threshold for GASB 34 reporting purposes may still be significant for insurance, warranty service, and obsolescence/replacement policy tracking purposes. The District may record and maintain these non-GASB 34 asset inventories in subsidiary ledgers.

References:

School Code – 24 P.S. Sec. 218, 613

Governmental Accounting Standards Board, Statement No. 34