INVENTORIES/CAPITALIZATION POLICY

In order to provide for the proper control and conversation of district property, the Superintendent or designee shall maintain Inventory Records and account for Capital Expenditures in accordance with the following guidelines:

Inventory Records

- All equipment items costing in excess of $500 shall be inventoried.
- All non-equipment capital assets costing in excess of $15,000 shall be inventoried.

The following information must be maintained on the equipment/fixed asset inventory:

- Name and description of the property
- Name of titleholder
- Serial number or other identification number
- Cost of the asset (estimate if unknown)
- Acquisition date
- Purpose (note & justify any changes in use)
- Location of use
- Date and method of disposal and sale price
- For items acquired with federal funds
    - Funding Source
    - Use and condition of property
    - Percentage of federal participation in the cost

Capitalization of Assets

- Equipment items that cost more than $5,000 will be capitalized and depreciated for GASB 34 reporting purposes.
- Equipment items costing less than $5,000 shall be expensed for GASB 34 reporting purposes.
- All non-equipment capital assets costing in excess of $15,000 shall be capitalized and depreciated for GASB 34 reporting purposes.
- All non-equipment capital assets costing less than $15,000 shall be expensed for GASB 34 reporting purposes.

For financial reporting purposes, fixed assets with a service life of more than two years following the date of acquisition will be capitalized. Useful lives will be determined in the year of purchase based on general guidelines obtained from professional organizations and the asset's present condition. The district will use the straight-line method of depreciation and depreciation expense will be calculated beginning in the year of acquisition.

1st Reading October 28, 2003
2nd Reading & adoption November 25, 2003