

## CAPITAL ASSET ACCOUNTING

The purpose of capital asset accounting is to establish proper control procedures for monitoring and safeguarding capital assets and to maintain accurate reporting of asset values as required by New York State.

### Definitions

"Capital assets" are those assets that have a useful life of more than one year and include land, buildings and building improvements, furnishings, vehicles and electronic equipment such as computers.

"Property Manager" is defined as the person responsible for tracking capital assets and monitoring adherence to control procedures designed to protect the District's capital assets.

### Valuation

All assets are recorded at cost based on the invoice price and shall include all necessary costs incurred to place the asset in service. Incidental costs may include, but are not limited to shipping, handling, freight, duties, registration fees, installation costs, or insurance during transit. All gifts of capital assets will be recorded at fair market value at the time they are received.

### Inventory Records

The following information must be maintained on the capital asset inventory:

- Date of acquisition
- Description
- Cost or value
- Location
- Estimated useful life
- Date and method of disposition

### Capitalization

Assets with a useful life of more than one year and a cost greater than \$5,000 will be capitalized. These items will also be reported in the District's financial statements as capital assets. Items which do not meet these criteria will be included in the inventory for insurance and control purposes.

Depreciation will be calculated on assets meeting the above capitalization criteria using the straight line method over the assets estimated useful life. The District will follow the New York State Association of School Business Officials' suggested life guidelines except in circumstances where they would not be appropriate.

#### Property Manager Duties

The Board of Education directs the Business Administrator ("Property Manager") to maintain a continuous and accurate capital asset inventory in accordance with the Uniform System of Accounts for School Districts. The inventory shall be maintained by the Business Office with the cooperation of each teacher, department supervisor, and building administrator.

The Property Manager will tag the capital asset with a school identification number and record the acquisition of the asset in a timely manner upon receipt.

Any laptops signed out for use must include the tag number, serial number, description, date borrowed, expected date of return, and signature of the borrower and Technology Coordinator/designee.

Ref: Uniform System of Accounts for School Districts – Fiscal Section

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