

Capitalization of Assets

Capital Assets

The District will maintain a comprehensive capital assets record-keeping system. The goal of the capital assets program is to protect the district against losses that would significantly affect the District's students, staff, property, budget or the ability of the district to continue to fulfill its stewardship responsibilities.

For the purposes of this policy, "capital assets" will mean land, improvements to land, easements, building improvements, vehicles, machinery, equipment, works of art and historical treasures, infrastructure and all other tangible and intangible assets that are used in operations and that have initial useful lives extending beyond a single reporting period which:

- A. Retains its shape and appearance with use;
- B. Is nonexpendable, meaning if the item is damaged or some of its parts are lost or worn out, it may be more feasible to repair it than to replace it with an entirely new item.
- C. It does not lose its identity when incorporated into a more complex unit;
- D. Is valued no less than \$10,000.
- E. Has a life expectancy of at least one year.

Federal law requires a physical inventory of federally-funded assets at least once every two years. Reconciled inventory reports will be provided to the board. Such reports will identify lost, damaged or stolen capital assets. Missing capital assets will be removed from district property records by a vote of the board.

No equipment will be removed for personal or non-school use.

The individual capital asset record shall include at least the following:

- Acquisition date
- Purchased with Federal funds - Yes_____ No_____
- Vendor and/or acquisition origination (i.e., donated)
- Reference to source document (i.e., PO#, voucher#)
- Description of asset (include make and model if available)
- Serial number
- Capital asset tag number if applicable
- Location of the asset
- Disposal date of asset
- Method of disposition (i.e., sold, surplus, destroyed, stolen, etc.)

Small attractive assets that are not capitalized (valued at more than \$250 but less than (\$10,000) shall be safeguarded and inventoried at least annually and shall have a capital asset record as described above.

Small attractive assets are specifically defined as follows:

- Cameras (digital)
- Computers (CPU only - {CRT monitors and keyboard are excluded})
- DVD Player/Recorder
- LaserWriter printers
- Video projectors
- Flat panel displays

Cross References: 6570 - Property and Data Management

Legal References: RCW 28A.335.090 Conveyance and acquisition of property –
Management – Appraisal
7 CFR § 3015, 3016 Agriculture
34 CFR § 80.32 Uniform Administrative requirements for grants and
cooperative agreements to state and local governments - Equipment
45 CFR § 92.32 Health and Human Services
Office of Management and Budget (OMB) Circular A-87, Cost
Principles for State, Local, and Indian Tribal Governments,
Attachment B(19)

Management Resources: 2025 - April Issue Policy & Legal News
2012 - June Issue
Policy News, June 2008, Capital Assets/Theft-Sensitive Assets
Policy News, April 2006, Fixed Assets

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