

MEDFORD AREA PUBLIC SCHOOL DISTRICT

DATE ADOPTED: January 26, 2017 FILE SECTOR: FISCAL MANAGEMENT
DATE REVISED: February 24, 2020 POLICY TITLE: FIXED ASSET MANAGEMENT

Medford Area Public School District's (MAPSD) capital assets include, but not limited to, land, land improvements, buildings, building improvements and infrastructure, as well as vehicles and certain machinery, equipment, software, works of art and other tangible or intangible assets that are used in operations and that have initial useful lives extending beyond one fiscal year. Capital assets also include certain improvements, modifications, replacement or renovations to capital assets that materially increase their value or useful life. The Board of Education's expectation for the MAPSD's capital asset management and accounting process is to ensure that district procedures are sufficiently formalized and implemented to allow for adequate financial reporting, as assessed by the district's auditors. The district will comply with Generally Accepted Accounting Principles (GAAP) and Government Account Standards Board (GASB) 34.

- All fixed asset purchases in excess of \$5,000 for items that have a useful life of more than one year will be capitalized.
- In accordance with GAAP, assets will be depreciated, using the straight-line method, over their estimated useful lives:

a) Vehicles	5 years
b) Buses	8 years
c) Other equipment	5-10 years
d) Site improvements	20 years
e) Buildings	50 years
f) Subsequent building modernization	50 years
- For depreciation purposes only, the salvage value of assets is estimated to be immaterial. Therefore, assets will be depreciated at 100 percent of cost.
- When applicable, the "half-year" convention will be utilized whereby one-half of depreciation is recorded in the fiscal year of acquisition and the fiscal year of disposition.

The business manager, in consultation with the district's financial auditors, shall be responsible for establishing a written schedule of capitalization thresholds applicable to particular capital asset classes. The schedule shall be structured to capture at least 80% of the value of the district's total assets. The capitalization threshold established for single items within any asset class shall not be less than \$5,000.

Capital assets having an acquisition cost (or other relevant valuation) above the capitalization threshold of the applicable asset class shall be valued, inventoried, depreciated for financial accounting purposes when appropriate and regularly tracked over time through the point of retirement, sale or other disposition.

District procedures related to capital asset management shall also account for the appropriate identification, recording and tracking of capital assets that are acquired using (1) federal funds, (2) capital borrowing or (3) referendum funds that are subject to specific restrictions on use.

IT Department will maintain records of all computer/technology equipment assets in the district and coordinate all changes and deletions.

Nothing in this policy prevents the district from otherwise inventorying (recording, counting and tracking) supplies, equipment and other items that are not capitalized for financial reporting purposes. Further, the district shall appropriately inventory any such non-capitalized items if required by law or by the terms of any grant or contract.

This policy revision is effective as of July 1, 2019.

CROSS REFERENCE: DJA, DN, KH
LEGAL REFERENCE: 120.12(1), 120.14 Wisconsin Statutes, DPI Audit Manual, GAAP, GASB