

## **§10 - Capital Assets and Works of Art**

### **A. Purpose**

This section establishes policy governing the safeguarding of District assets and resources. All District employees are responsible to help identify and safeguard the District's assets and resources within their respective roles. This section provides guidance on identifying, safeguarding, inventorying, transferring, and reporting works of art and capital assets.

### **B. Responsibility for Inventory Lists**

1. The responsibility for maintaining the list is as follows:

For capital assets:

- a. Schools and departments are responsible to maintain current and accurate lists of inventory of all "Control Risk Assets" at their location with an original cost between \$200 and \$999. (See the list of Control Risk Assets on the Accounting intranet website.)
- b. Accounting is responsible to maintain the comprehensive list of:
  - i. Individual equipment items and vehicles with an original cost between \$1,000 and \$4,999 that are identified as a "Control Risk Asset", including artwork.
  - ii. Land, construction-in-progress, intangibles, buildings, building improvements, land improvements, equipment, vehicles, and other capital assets with an original cost of \$5,000 or above.

For artwork:

- a. The Fine Arts department is responsible to maintain the comprehensive list of the District's works of art.
  - i. Schools and departments are responsible to work with the Fine Arts department to keep the list of artwork at their site current and accurate.

### **C. Information Tracked for Each Listed Asset**

1. For each listed asset, the following information, at a minimum, is required to be tracked:
  - a. The date and check number used to pay for the asset.
  - b. The original cost of the asset.
  - c. The source of funds used to purchase the asset (school, district, federal, or state funds).
  - d. A full description of the asset.
  - e. The make and model number of the asset.

- f. The serial number of the asset.
- g. The room number where the asset is assigned for use.
- i. For assets tracked on school or department inventory lists, the room number where each individual asset is assigned for use should be kept up-to-date throughout the year as assignments change from one room to another.
- h. Condition of the asset.

## **D. Additions to Inventory Lists**

1. Individual assets are to be added to the appropriate school or department inventory list at the time the asset is received and payment is made.
2. For assets purchased that should be added to the lists maintained by Accounting or Fine Arts, if the payment was made with a District purchasing instrument other than a Pay Voucher or a District Purchase Order, the school or department must fill out and turn in to Fine Arts or Accounting respectively a *New Inventoried Asset Form* (available on the Accounting website) within 30 days of the purchase.

## **E. Deletions from Inventory Lists**

1. Asset Transfers:
  - a. When a listed asset is no longer needed or used at a given school or department, the fiscal administrator shall ensure an *Equipment Transfer Form* is completed and submitted. The disposition of such assets is determined by the Director of Purchasing, or designated agent, and District administration.
  - b. The physical movement of such assets shall be under the direction of the Director of Purchasing. At the time an asset is physically moved, the item is to be removed from the appropriate asset inventory list.
2. Lost or Missing Assets:
  - a. When a listed asset on an inventory list cannot be located (either during the year or at the time of the inventory verification), the fiscal administrator shall ensure a *Notification of Lost/Missing Asset* form (available on the Accounting intranet website) is completed and submitted to Accounting if it is a capital asset or to Fine Arts if it is artwork.

## **F. Periodic Physical Inventory Verifications:**

1. Fiscal administrators shall ensure physical inventory verifications are made and the inventory lists are kept accurate and up to date for his/her site.
2. The following inventory lists should be used for the physical inventory verification:

For capital assets:

- a. Each year the Accounting department shall send to each school and department a list of "Control Risk Assets" included on the list maintained by Accounting (\$1,000-\$4,999) along with

instructions for completing the physical inventory verifications.

b. Upon receipt of the list maintained by Accounting, each school and department shall print a list of "Control Risk Assets" on their self-maintained list (\$200-\$999).

c. Periodically, Accounting shall send a list of Capital Assets (over \$5,000) to the appropriate school or department responsible for the asset to be verified and updated.

For artwork:

d. Each year, the Fine Arts department shall send to each school and department a list of District artwork at the site.

3. Upon receipt of the inventory lists, the fiscal administrator shall assign appropriate staff to prove the existence of each item on each list and verify the asset's information against that on the list. Such staff are to update missing or incorrect information.

4. Upon completion of the periodic inventory verification, schools and departments shall provide Accounting and Fine Arts with the appropriate updated copies of each list along with a signed Certifying Statement (available on the Accounting intranet website.)

## **G. Replacement of Listed Assets**

1. The source of funds for replacement of a listed asset are:

a. First, the same source that was used to purchase the original item being replaced.

b. Second, the school's or department's budgeted funds.

c. Third, school funds.

d. Finally, district condemnation funds.

i. Only items on the inventory list maintained by Accounting and valued at \$1,000 or more which have been purchased with district funds (not school, state, or federal funds) are eligible for consideration to be replaced using condemnation funds.

ii. Requests for use of condemnation funds to replace an eligible asset are initiated by completing and submitting an Equipment Transfer Form to remove the item being replaced. Such requests are subject to the approval of the capital committee.

## **H. Appraisal of District Art**

1. The district will periodically issue a Request for Proposal to identify an appraiser to conduct an appraisal of the district's total art collection, including art on school asset lists, under the direction of the Fine Arts department. The Fine Arts department ensures that changes in value of works are recorded on respective asset lists and that art work is repaired or restored through the visual arts budget as necessary to maintain the value of the piece.

## **I. Placement of District Art**

1. District art with a current appraisal value of \$300 or greater should be hung with a locking mechanism and placed where they can be viewed by the community. Appropriate locations include hallways, main office, media center, conference rooms, etc. Inappropriate locations include individual employee offices and teacher classrooms except as authorized by the Superintendent.

## **J. Financial Reporting of Capital Assets**

1. For financial reporting purposes, capital assets:

a. Include assets with an initial, individual cost of \$5,000 or more for land, vehicles, and equipment and \$100,000 or more for buildings and improvements and land improvements.

b. Include both depreciable and nondepreciable assets. Nondepreciable assets include land, water stock, and current construction-in-progress. Depreciable assets include buildings and improvements, certain land improvements, vehicles, and equipment, and are depreciated using the straight-line method over the following estimated useful lives:

i..... Buildings..... 40 years

ii..... Building and land improvements..... 10 years

iii..... Buses and vehicles.....10 years

iv..... Playground equipment and furniture..... 10 years

v..... Computer equipment..... 5 years

c. Do not include the District's collection of artwork provided 1) the purpose of the collection is for display, 2) the collection is being adequately maintained, and 3) proceeds from the sale of collection items valued at \$300 or greater are applied to acquiring new items for the collection.

2. The cost of normal maintenance or repairs that do not add to the value, add service capacity, or materially extend an asset's useful life is not capitalized.

3. Donated capital assets are recorded at estimated fair value at the date of donation.

Article ID: 21

Last updated: 02 Nov, 2020

Revision: 1

Fiscal Policies -> Online Fiscal Policy Manual (Current Edition) -> §10 - Capital Assets and Works of Art

<https://gsd-kbpub.graniteschools.org/kb/index.php?View=entry&EntryID=21>