

Section 3000 – Fiscal Management

3490-R Inventories – Fixed and Controlled Assets

3490-R

For the purposes of accountability of school-owned property, the Superintendent, or administrator in charge of Business Services, shall develop a fixed asset system. Annually, all fixed asset records shall be updated showing deletions and additions of District-owned property, the estimated value, estimated original cost, date of purchase, serial numbers (where available) and location of each piece of property.

Fixed Asset Accounting System

The administration shall maintain a fixed asset accounting system in accordance with law, governmental regulations, and District needs. The fixed asset accounting system shall maintain sufficient information to permit the following:

- A. The preparation of year-end financial statements in accordance with law, governmental rules and generally accepted accounting principles,
- B. Adequate insurance coverage, and
- C. Control and accountability.

The Superintendent, or administrator in charge of Business Services, shall be responsible for the development and maintenance of the fixed asset accounting system. He/She shall develop procedures to ensure compliance with all fixed asset accounting policies, law or governmental regulation.

“Fixed assets” are defined as follows:

1. Capitalization limit - The District will include as a capital asset any new purchase of a single asset with a price of \$5,000 or greater and an estimated useful life of five years or more.
2. Salvage value - The District will assume a salvage value of 10% for all new construction or building renovation projects, 5% for school buses, and zero for all other assets.
3. Betterment limit - The District will include as a capital asset any betterment project with a cost exceeding the limit established by MCL 380.1267(6), and which will extend the useful life of an asset by at least five years.
4. Composite Purchases - The District will include as a capital asset any purchase of assets with an estimated useful life of greater than five years, which individually are below the capitalization limit, but which in aggregate exceed a cost of \$50,000. For the purposes of depreciation, the combined purchase will be considered a single asset.

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5. Useful life - The District will use the following table in establishing the estimated useful life of a new capital asset:

Asset Class	Examples	Est. Useful Life
Land		N/A
Site Improvements	Paving, flagpoles, retaining walls, sidewalks, fencing, outdoor lighting	20
School Buildings	New construction, major building additions	50
Portable classrooms		25
HVAC Systems	Heating, ventilation and air conditioning systems	20
Roofing		20
Interior Construction		25
Carpet Replacement		7
Electrical/Plumbing		30
Sprinkler/Fire System	Fire suppression systems	25
Outdoor Equipment	Playground, radio towers, fuel tanks, pumps	20
Machinery & Tools	Shop & Maintenance equipment, tools	15
Kitchen equipment	Appliances	15
Custodial Equipment	Floor scrubbers, vacuums, etc.	15
Science & Engineering	Lab equipment, scientific apparatus	10
Furniture & Accessories	Classroom and office furniture	20
Business Machines	Fax, duplicating & printing equipment	10
Copiers		5
Communications Equip.	Mobile, portable radios, non-computerized	10
Computer Hardware	PCs, printers, network hardware	5

Some items may be identified by the Superintendent, or administrator in charge of Business Services, as “controlled” assets that, although they do not meet all fixed asset criteria, will be recorded on the fixed asset system to maintain control.

Additional administrative regulations may be developed at the departmental level by the Superintendent, or administrator in charge of Business Services, as required to implement policy 3490. Upon request, any such rules, regulations, procedures, or forms will be shared with the Board for their information.

Rules Accepted: June 29, 2009