

## CAPITAL ASSETS REGULATION

### A. Capital Assets Management System

The business manager, and/or other designated staff, shall:

- 1) Conduct the capital assets physical count;
- 2) Develop the capital assets listing;
- 3) Tag capital assets included in the capital assets management system with a bar code identification number;
- 4) Make a recommendation of a computer software program for managing the capital assets management system;
- 5) Enter the necessary data into the capital assets management system and compile the appropriate reports;
- 6) Develop forms and procedures for maintaining the integrity of the capital assets management system; and,
- 7) Maintain responsibility for an accurate capital assets management system.

### B. Determining historical cost

- 1) The historical cost of a capital asset is based on the actual costs expended in making the capital assets serviceable.
- 2) Gifts of capital assets are valued at the estimated fair market value at the addition/acquisition date.
- 3) Capital assets purchased under a capital lease are valued at historical cost of the net present value of the minimum lease payments on the addition/acquisition date.
- 4) The historical cost of capital assets must include capitalized interest.

### C. Addition/acquisition of capital assets.

- 1) The school district's purchasing policy and administrative regulations must be followed when acquiring capital assets. The school district's policy and administrative regulations must be followed for receiving a gift of capital assets.
- 2) The capital assets addition/acquisition documentation must be completed for each additional capital assets with an addition/acquisition cost of equal to or greater than \$5,000.00. The following information should be collected, if applicable:
  - a) Name of location-building/department/room;
  - b) Location-building/department/room code;
  - c) Balance sheet accounting/class code;
  - d) Government or BTA program;
  - e) Addition/acquisition date;
  - f) Check/purchase order number or gift;
  - g) Bar code identification number assigned to and placed on the capital asset;
  - h) Serial/model number;
  - i) Cost-historical;
  - j) Fair market value on acquisition date (donated assets only);
  - k) Estimated useful life;
  - l) Vendor;
  - m) Purchasing fund and function;
  - n) Description of capital asset;
  - o) Department/person charged with custody;
  - p) Method of addition/acquisition-purchase, trade, gift, etc.;
  - q) Quantity;
  - r) Replacement cost;
  - s) Addition/acquisition authorization; and
  - t) Function for depreciation.

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- 3) Capital assets acquired in a month must be entered into the capital assets management system in the same month.
- 4) The actual costs of construction in progress, other than infrastructure, is entered into the capital assets management system in the year in which costs are incurred until the total cost of addition/acquisition is entered. Upon completion of construction, the total costs accumulated over the period of construction are reclassified to buildings.
- 5) Capital assets acquired in a month must be entered into the capital assets management system in the same month.

### D. Capital assets reports

- 1) Annual reports for June 30 each year.
  - a) Capital assets listing including the following items:
    - 1) Balance sheet accounting/class code;
    - 2) Purchasing fund, function and depreciation function;
    - 3) Bar code tag identification number;
    - 4) Description of the capital asset;
    - 5) Historical cost or other;
    - 6) Location;
    - 7) Current year depreciation/expense; and,
    - 8) Accumulated depreciation/amortization.
  - b) Capital assets listing by location/building;
  - c) Capital assets listing by department/employee/person charged with custody; and,
  - d) Capital assets listing by replacement cost.

Iowa code: §§257.31; 279.8; 297; 298A

#### Cross Reference:

701.3 Financial Records  
709 Insurance Program

Approved:

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Revised: