

Meridian Technical Charter High School  
BUSINESS OPERATIONS  
Series 800

Policy Title: Accounting and Reporting of Fixed Assets, Leases and Software Based Information Technology Arrangements

Code No. 803.10

Accurate records of the cost of fixed assets, leases and Software Based Information Technology Arrangements(SBITA) will be maintained. The acquisition of fixed assets, leases and SBITAs will be organized to ensure that no unauthorized purchases are made and that records of each purchase are accurate, complete and recorded in the appropriate period.

As used herein, the term "fixed assets" refers to the land, buildings, improvements, machinery, equipment, furnishings and other resources purchased or acquired by the district.

**SECTION A - General Responsibility**

School district personnel at all levels are accountable to the board of directors for the safeguarding and the proper use of all fixed assets, leases and SBITAs under their jurisdiction and/or control. District personnel are also responsible for accounting for fixed assets correctly, including ensuring compliance with Generally Accepted Accounting Principles (GAAP) and the Idaho Financial Accounting and Reporting Management System (IFARMS).

**SECTION B - Acquisition**

The purchase or acquisition of all fixed assets, leases and SBITAs will be in accordance with all applicable federal, state, local and school district statutes, regulations and policies.

**SECTION C - Disposal of Fixed Assets**

The disposal of fixed assets shall be in accordance with all applicable federal, state, local and district Policy No. 803.20 titled *Disposition or Sale of Surplus Property*.

**SECTION D - Accounting and Reporting**

Accounting records for fixed assets, leases and SBITAs will be maintained in such a manner as to provide information to promote sound fiscal management, to assess management accountability, and to assist interested parties with decision making.

The district's accounting system will make it possible to account and report for the fixed assets whose capitalized value equals or exceeds \$7,500 in conformity with generally accepted accounting principles and to determine and demonstrate compliance with legal and contractual provisions. Items purchased with Bond Funds will be capitalized regardless of whether it meets the \$7,500 capitalization threshold identified above. For leases and SBITAs, items below \$7,500 annual exchange of value will be considered immaterial.

Annually district personnel will conduct a physical inventory of the fixed assets and compare the inventory to the accounting records.

**A. FIXED ASSET CAPITALIZATION PROCEDURES**

Fixed asset procedures determine which items will be capitalized or expensed and the cost associated with the purchase and installation.

1. GENERAL FIXED ASSETS QUALIFICATION

All fixed assets will:

- i. have a useful life greater than one year;
- ii. retain their original form with use;

2. LAND

Land will be capitalized in accordance with GAAP and IFARMS.

3. LAND IMPROVEMENTS

Costs incurred after the land acquisition to permanently improve the site will be accounted for in accordance with GAAP and IFARMS.

4. BUILDINGS

All buildings will be capitalized and accounted for in accordance with GAAP and IFARMS.

5. BUILDING IMPROVEMENTS

Building improvements will be capitalized and accounted for in accordance with GAAP and IFARMS.

6. EQUIPMENT

Equipment can be classified into two groups. The first group consists of all property with a useful life greater than one year, which retains its original form with use, and costs in excess of \$7,500. All equipment that falls into this group will be accounted for as a capitalized fixed asset and will be tagged and inventoried on an annual basis.

The second equipment group consists of all property with a useful life greater than one year, which retains its original form, but is less than \$7,500. These items will be coded as equipment, but will not be capitalized.

Date of Revision  
9/21/2009, 10/21/2019, 5/23/2023

Legal Reference: Code of Idaho  
GAAP, IFARMS