

The District's capital assets include, but are not necessarily 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, replacements, or renovations to capital assets that materially increase their value or useful life. The Board of Education expectation for the District's capital asset management and accounting process is to ensure that the District's procedures are sufficiently formalized and implemented to allow for adequate financial reporting, as assessed by the District's auditors.

The District Administrator, 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. Subject to the expectation that the schedule shall be structured to capture at least 80% of the value of the District's total assets, the threshold established for single items within any of the asset classes need 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.

Nothing in this policy prevents the District from otherwise inventorying (recording, counting, and tracking) supplies, equipment, and other items that are not capitalized and depreciated for financial reporting purposes. Further, even if not capitalized, the District shall inventory the following capital assets:

- *Technology assets*
- *Furniture;*
- *Textbooks;*
- *Other non-capitalized items when required by law or by the terms of any grant or contract.*

### **Legal References:**

#### **Wisconsin Statutes**

[Section 120.14](#) [annual school district audit required]

#### **State Guidance**

[Department of Public Instruction School District Audit Manual Index](#)  
[Wisconsin Uniform Financial Accounting Requirements \(WUFAR\)](#)

**Federal Law**

- [2 C.F.R. §200.33](#) [definition of “equipment” tied to local capitalization threshold within the federal Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance)]
- [2 C.F.R. §200.94](#) [definition of “supplies” tied to local capitalization threshold within the federal Uniform Guidance]
- [2 C.F.R. part 200 subpt. D](#) [post-award requirements under the federal Uniform Guidance; includes requirements related to tracking and disposition of property, supplies, and equipment paid for with federal funds]
- [2 C.F.R. part 200 subpt. F](#) [audit requirements under the federal Uniform Guidance]

**Federal Guidance**

[Governmental Accounting Standards Board – GASB Statement No. 34](#)

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