

PENN MANOR SCHOOL DISTRICT

ADMINISTRATIVE REGULATION

APPROVED: November 15, 2012

REVISED:

622-AR-0. GOVERNMENTAL ACCOUNTING STANDARDS BOARD STATEMENT 34

The district acquires, records, inventories, maintains and disposes of capital assets. Responsible district employees will ensure accurate capital asset reporting and compliance with governmental requirements.

Designated employees will maintain accurate records of physical assets whose value and useful life exceed the capitalization threshold.

In order to associate debt with acquired assets and to avoid net asset deficits, any asset that has been acquired with debt proceeds will be capitalized, regardless of the cost of the asset. The asset life of these assets will be considered relative to the time of the respective debt.

For all other assets not acquired by debt proceeds, the dollar value of any single item for inclusion in the fixed assets accounts will be not less than \$5,000.

The capitalization threshold will be set at a level that will capture at least eighty percent (80%) of all fixed assets.

The assets listed below do not normally individually meet capitalization threshold criteria:

1. Library books.
2. Classroom texts.
3. Computer equipment.
4. Classroom furniture.

These asset category costs will be capitalized and depreciated as groups when that group's acquisition cost exceeds the capitalization threshold in any given fiscal year.

For group asset depreciation purposes, the estimated useful life of the group may be based on the weighted average or simple average of the useful life of the group as a whole. Periodically, the district will review the estimated life of groups of assets and adjust the remaining depreciation life of the group.

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Assets that fall below the capitalization threshold for GASB 34 reporting purposes may still be significant for insurance, warranty service, and obsolescence/replacement policy tracking purposes. The district may record and maintain these non-GASB 34 asset inventories in subsidiary ledgers.