

INVENTORIES

The school district shall annually cause an inventory of personal property to be made and placed on file with the business manager by July 10. Personal property with an original value greater than \$5,000 shall be included in the inventory as required by ARSD 10:02:01:01. Periodic inventories should be taken by personnel designated by the superintendent.

General capital assets are divided into five main classes: land, buildings, improvements other than buildings, equipment, and construction work in progress. Generally accepted accounting principles require that each school adopt a dollar value indicating which fixed assets should be capitalized. The following thresholds will be used in determining if assets shall be included in the District's capital assets inventory: Equipment with an initial cost in excess of \$3,500 and an expected life exceeding one year; buildings shall be recorded when the initial cost exceeds \$50,000; building improvements and improvements other than buildings shall be recorded when the initial cost exceeds \$25,000. Fixed assets may be marked by a permanent method of identification.

In the acquisition of or additions to real property, plant, or equipment, any expenditure of one thousand dollars or more shall be paid from the capital outlay fund as required by state statute. The one thousand dollar limitation shall apply to the total of each asset type on an invoice. Equipment purchases per invoice of less than \$1,000 may be acquired from either the general or capital outlay fund.

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LEGAL REF.: SDCL 5-24-1, 5-24-3, 13-16-6. ARSD 10:02:01:01