

BUILDINGS & SITES

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OBJECTIVES OF BUILDINGS & SITES

This series of the board policy manual sets forth the board objectives and goals for the school district's buildings and sites. It is the goal of the board to provide sufficient school district buildings and sites for the education program. The board will strive to provide an environment which will encourage and support learning.

In providing this environment the school district buildings and sites will accommodate the organizational and instructional patterns that support the education program. The board has final authority to determine what is necessary to meet the needs of the education program.

It is the responsibility of the superintendent to oversee the day-to-day operations of the school buildings and sites and to notify the board of areas in need of improvement.

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BUILDINGS & SITES LONG RANGE PLANNING

As part of the board's long range plan for the school district's education program, the board will include the buildings and sites needs for the education program. The long-term needs for building and will be discussed and determined by the board.

It is the responsibility of the superintendent to provide information including, but not limited to, enrollment projections and education program requirements to the board.

Legal Reference: Iowa Code §§ 280.3, .12, .14; 297 (2013).

Cross Reference: 103 Long-Range Needs Assessment

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BUILDINGS & SITES SURVEYS

The board may engage the services of consultants or other personnel to study the needs of the school district's buildings and sites in providing the education program. The results of these services will be considered in planning the education program and in making decisions about the improvement and acquisition of additional buildings and sites.

It is the responsibility of the superintendent to make a recommendation to the board regarding the need for such services and who should perform such services for the board.

Legal Reference: Iowa Code §§ 280.3, .14; 297 (2013).

Cross Reference: 103 Long-Range Needs Assessment

801 Site Acquisition and Building Construction

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EDUCATIONAL SPECIFICATIONS FOR BUILDINGS & SITES

Buildings and sites considered for purchase or construction by the board or currently owned by the school district and used for the education program must meet, or upon improvement be able to meet, the specifications set by the board. The board will make this determination.

Prior to remodeling or other construction of buildings and sites, the board may appoint a committee of consultants, employees, citizens, or others to assist the board in developing the specifications for the new or improved buildings and sites. These specifications will be consistent with the education program, and they will provide the architect with the information necessary to determine what is expected from the facility. It is within the discretion of the board to determine whether a committee is appointed.

The education specifications will include, but not be limited to, the financial resources available for the project, the definition and character of classrooms, the functional use to be made of the rooms, description of specialized needs, and other pertinent information as the board deems necessary.

It is the responsibility of the superintendent to make a recommendation to the board regarding the specifications of buildings and sites.

Legal Reference: *Cedar Rapids Community School District, Linn County v. City of Cedar Rapids*, 252 Iowa 205, 106 N.W.2d 655 (1960).

Iowa Code §§ Ch 26; 280.3, .14; 297; 544A (2013).
1974 Op. Att'y Gen. 529.

Cross Reference: 801 Site Acquisition and Building Construction

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SITE ACQUISITION

Sites acquired by the board will meet or, upon improvement, be able to meet the specifications set out by the board prior to using the site for the education program. The board may meet in closed session to discuss potential purchases of sites.

It is the responsibility of the superintendent to assist the board and to make recommendations concerning the acquisition of sites.

Legal Reference: Iowa Code §§ 21.5(j); 297 (2013).

Cross Reference: 212 Closed Sessions

705.1 Purchasing - Bidding

801 Site Acquisition and Building Construction

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BIDS AND AWARDS FOR CONSTRUCTION CONTRACTS

The board supports economic development in Iowa, particularly in the school district community. Construction contracts will be made in the school district community or in Iowa from Iowa-based companies if the bids submitted are comparable in quality and can be received without additional cost in comparison to those submitted by other bidders. The board will have the authority to approve or reject construction contracts.

Public, competitive sealed bids are required for construction projects, including renovation and repair, with a cost exceeding the statutory minimums required by law. The public, competitive sealed bid requirement is waived in the case of emergency repairs when the repairs are necessary to prevent the closing of a school. The AEA administrator will certify that the emergency repairs are necessary to prevent the closing of a school. The superintendent will comply with the competitive quote process for those projects subject to the competitive quote law. The superintendent will determine the process for obtaining quotes for projects below the competitive quote limit.

The award of construction contracts will, generally, be made to the lowest responsible bidder. The board, in its discretion, after considering factors relating to the construction, including, but not limited to, the cost of the construction, availability of service and/or repair, completion date, and any other factors deemed relevant by the board, may choose a bid other than the lowest bid. The board will have the right to reject any or all bids, or any part thereof, and to enter into the contract or contracts deemed to be in the best interests of the school district.

It is the responsibility of the superintendent to make a recommendation and the reason for it to the board for construction contract bids. The board secretary shall recommend, to the board, which bid to accept.

NOTE: This policy is consistent with Iowa law regarding construction. Public, competitive sealed bids are only required on construction projects, including renovation and repair, if the cost exceeds \$100,000. In the case of emergency repairs, the requirement for public, competitive sealed bids is waived if the AEA administrator issues a certificate that the emergency repairs are necessary to prevent the closing of a school. For more detailed discussion of this issue, see IASB's Policy Primer, Vol. 19 #7-October 27, 2006.

Legal Reference: Iowa Code §§ Ch 26; 72; 73; 297.7-.8 (2013).

Cross Reference: 705 Expenditures

801 Site Acquisition and Building Construction

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MAINTENANCE SCHEDULE

The school district buildings and sites, including the grounds, buildings and equipment, will be kept clean and in good repair. Employees should notify the building principal when something is in need of repair or removal, including graffiti.

It is the responsibility of the superintendent to maintain the school district buildings and sites. As part of this responsibility, a maintenance schedule is created and adhered to in compliance with this policy.

NOTE: The sentence on graffiti is necessary because of the liability a school district could incur in a case involving harassment. The continued presence of graffiti could expose the school district to liability. It is recommended that school districts implement a procedure to discourage, report and remove graffiti in a timely manner.

Legal Reference: Iowa Code §§ 279.8; 280.3, .14 (2013).

Cross Reference: 502.2 Care of School Property/Vandalism

502.5 Student Lockers

802 Maintenance, Operation and Management

804.1 Facilities Inspections

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REQUESTS FOR IMPROVEMENTS

Generally, except for emergency situations, requests for improvements or repairs are made to the superintendent by building principals and the head custodian. Requirements for requests outlined in the maintenance schedule will be followed.

Minor improvements, not exceeding a cost of \$2,500, may be approved by the superintendent. Improvements exceeding \$2,500 must be approved by the board. Routine maintenance and repairs outlined in the maintenance schedule will be followed.

NOTE: The amount in the blanks should be consistent with the amounts in Policies 705.1 and 803.2.

Legal Reference: Iowa Code §§ 279.8; 280.3, .14 (2013).

Cross Reference: 802.1 Maintenance Schedule

802.3 Emergency Repairs

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EMERGENCY REPAIRS

In the event of an emergency requiring repairs, in excess of the state limit, to a school district facility are necessary to correct or control the situation and to prevent the closing of school, the provisions relating to bidding will not apply.

It is the responsibility of the superintendent to obtain certification from the area education agency administrator stating such repairs in excess of the state limit were necessary to prevent the closing of school.

It is the responsibility of the superintendent to notify the board as soon as possible considering the circumstances of the emergency.

NOTE: This policy reflects Iowa law regarding emergency repairs. The certification of the AEA administrator is a legal requirement.

Was \$25,000 now it is \$130,000. Goes up every year on January 1st.

Legal Reference: Iowa Code §§ 26.3, 280.3, .14; 297.8 (2013).

Cross Reference: 705.1 Purchasing - Bidding

802 Maintenance, Operation and Management

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CAPITAL ASSETS Formally Inventory

The school district will establish and maintain a capital assets management system for reporting capitalized assets owned or under the jurisdiction of the school district in its financial reports in accordance with generally accepted accounting principles (GAAP) as required or modified by law; to improve the school district's oversight of capital assets by assigning and recording them to specific facilities and programs and to provide for proof of loss of capital assets for insurance purposes.

Capital assets, including tangible and intangible assets, are reported in the government-wide financial statements (i.e. governmental activities and business type activities) and the proprietary fund financial statements. Capital assets reported include school district buildings and sites, construction in progress, improvements other than buildings and sites, land and machinery and equipment. Capital assets reported in the financial reports will include individual capital assets with an historical cost equal to or greater than (\$ *capitalization threshold*), except for intangible right to use lease assets. The Federal regulations governing school lunch programs require capital assets attributable to the school lunch program with a historical cost of equal to or greater than \$500 be capitalized. Additionally, capital assets are depreciated over the useful life of each capital asset.

All intangible assets with a purchase price equal to or greater than (\$ *capitalization threshold*) with useful life of two or more years, are included in the intangible asset inventory for capitalization purposes. Such assets are recorded at actual historical cost and amortized over the designated useful lifetime applying a straight-line method of depreciation. If there are no legal, contractual, regulatory, technological or other factors that limit the useful life of the asset, then the intangible asset needs to be considered to have an indefinite useful life and no amortization should be recorded.

If an intangible asset that meets the threshold criteria is fully amortized, the asset must be reported at the historical cost and the applicable accumulated amortization must also be reported. It is not appropriate to “net” the capital asset and amortization to avoid reporting. For internally generated intangible assets, outlays incurred by the government's personnel, or by a third-party contractor on behalf of the government, and for development of internally generated intangible assets should be capitalized.

The district recognized the importance of classifying leases of intangible assets as assets or liabilities in financial statements. When operating as a lessor, the district will recognize a lease liability and an intangible right-to-use lease asset. When operating as a lessee, the district will recognize a lease receivable and deferred inflow of resources consistent with the requirements established in GASB 87.

The District recognizes a lease liability and an intangible right-to-use lease asset with an initial value of (\$ threshold amount) or more. At the commencement of a lease, the District initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The lease asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date plus certain initial direct costs to place the asset in service. The lease asset is then amortized on a straight-line basis over the life of the lease.

The capital assets management system must be updated monthly to account for the addition/acquisition, disposal, relocation/transfer of capital assets. It is the responsibility of the superintendent to count and reconcile the capital assets with the capital assets management system on June 30 each year. It is the responsibility of the superintendent to develop administrative regulations implementing this policy. It

will also be the responsibility of the superintendent to educate employees about this policy and its supporting administrative regulations.

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CAPITAL ASSETS

NOTE: It is suggested the board consider a capitalization threshold consistent with the GASB 34 Committee Recommendations which recommended "districts and AEAs implement capitalization levels that would capture at least 80% of the value of assets. However, the threshold should not be greater than \$5,000." In addition, Boards may wish to establish guidelines at lower thresholds for keeping track of capital assets for internal control and insurance purposes.

In determining the capital asset capitalization threshold, the size of the school district, the property insurance deductible and the time and effort necessary to account for and track capital assets with a lesser value should be considered. It is strongly recommended the board consult with the school auditor prior to setting the capitalization threshold.

An intangible asset should be recognized in the statement of net assets only if it is identifiable which means the asset is either separable or, arose from contractual or other legal rights, regardless of whether those rights are transferable or separable. The intangible asset must also possess all of the following characteristics/criteria:

- lack of physical substance;*
- be of a nonfinancial nature (not in monetary form like cash or investment securities); and,*
- the initial useful life extending beyond a single reporting period.*

Examples of intangible assets include easements, land use rights, patents, trademarks and copyrights. In addition, intangible assets include computer software purchased, licensed or internally generated, including websites, as well as outlays associated with an internally generated modification of computer software.

Intangible assets can be purchased or licensed, acquired through nonexchange transactions or internally generated. Intangible assets exclude assets acquired or created primarily for purposes of directly obtaining income, assets from capital lease transactions reported by lessees, and goodwill created through the combination of a government and another entity.

A school district could, and many do, use bar code identification tags to control capital assets, such as VCRs, technology equipment, etc., even though these capital assets have a cost below the capitalization threshold. In tracking these capital assets only the information necessary to control the location and use of them needs to be maintained. Some school districts video-tape each classroom/office annually to save time and effort tracking capital assets below the capitalization threshold. The video tape is also helpful for insurance claims. Whether a school district chooses to track capital assets with a cost below the capitalization threshold or not, capital assets with a cost below the capitalization threshold should not be included in the capital assets listing for reporting purposes.

This policy provides for valuing capital assets at historical cost as required by GAAP. This policy bases the capitalization threshold on the historical/acquisition cost of the individual asset. The school district can choose to use the historical cost of all the items included in a purchase order as the basis for determining whether to capitalize the capital asset. The cost of improvements may be added to the historical cost of a capital asset. Deciding whether to add the costs of an improvement to a capital asset's historical cost is a judgment call which should be made after consulting with the school auditor.

Legal Reference: Iowa Code §§ 257.31(4); 279.8; 297.22-.25; 298A (2013).

Cross Reference: 709 Insurance Program
701.3 Financial Records

CAPITAL ASSETS REGULATION

A. Capital Assets Management System

The superintendent, 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 ~~their~~ 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. Annual capital assets listing reconciliation

- 1) The superintendent, and/or other designated staff, in conjunction with the capital assets management team, will conduct an annual capital assets physical count to develop the annual capital assets listing in a manner similar to the initial capital assets listing process in B above. At least every three years, someone other than the person in custody of the capital assets in the building/department/room will perform the capital assets physical count for the building/department/room.
- 2) Upon completion of the annual capital assets listing, the capital assets listing is reconciled to the capital assets management system data base.
- 3) Capital assets found to have been excluded from the data base are added to the capital assets management system. The capital assets management system process should be reviewed to prevent future incidents of excluding a capital asset.
- 4) Capital assets unaccounted for are reported to the superintendent who contacts the supervisor of and the individual in charge/control/custody of the capital asset. The individual in charge/control/custody of the capital asset has thirty days to account for the capital asset.

CAPITAL ASSETS REGULATION *continued*

- 5) Capital assets unaccounted for after thirty days are reported to the superintendent for appropriate action and documentation. "Appropriate action" may include discipline, up to and including discharge, and may require the employee/person in charge/control/custody of the capital asset to replace the asset.
- 6) The superintendent is responsible for documenting the reasons each asset was not reconciled to the capital assets management system.

D. 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 (*\$ capitalization threshold*). 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.
- 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 month 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.

CAPITAL ASSETS REGULATION *continued*

E. Relocation/transfer of machinery and equipment capital assets.

- 1) A Capital Assets relocation/transfer documentation must be completed prior to removing machinery and equipment capital assets from their current location. The following information must be collected:
 - a) Relocation/transfer date;
 - b) Quantity;
 - c) Bar code identification number;
 - d) Current location-building/department/room code;
 - e) Name of current location-building/department/room;
 - f) New location-building/department/room code;
 - g) Name of new location-building/department/room;
 - h) Date placed at new location-building/department/room;
 - i) Department/person charged with custody; and
 - j) Relocation/transfer authorization.
- 2) Capital assets relocated/transferred in a month must be entered into the capital assets management system in the same month.

F. Disposal of capital assets

- 1) A Capital assets disposal documentation must be completed prior to disposing of real property. The following information must be collected:
 - a) Disposal date;
 - b) Quantity;
 - c) Bar code tag identification number;
 - d) Legal description,
 - e) Location/Address;
 - f) Purchaser;
 - g) Disposal methods for real property trade, sale, stolen, etc.; and,
 - h) Disposal authorization.
- 2) Capital assets disposed of in a month must be entered into the capital assets management system in the same month.
- 3) When assets are sold or disposed of, it is necessary to calculate and report a gain or loss in the statement of activities. The gain/loss is calculated by subtracting the net book value (historical cost less any accumulated amortization) from the net amount realized on the sale or disposal.

G. Lost, damaged or stolen capital assets.

- 1) A Lost, Damaged or Stolen Capital Assets Report must be completed when a capital asset has been lost, damaged or stolen. The following information must be collected:
 - a) Date of loss, damage or theft;
 - b) Employee/person discovering;
 - c) Quantity;
 - d) Description of capital asset;
 - e) Bar code tag identification number;
 - f) Location-building/department/room;

CAPITAL ASSETS REGULATION *continued*

- g) Description of loss, damage, etc.;
 - h) Filing of police report-yes or no;
 - i) Filing of insurance report-yes or no;
 - j) Sent for repair-yes or no;
 - k) Date returned from repair;
 - l) Date returned to location-building/department/room;
 - m) Department/person charged with custody; and,
 - n) Authorization.
- 2) Capital assets damaged, lost or stolen in a month must be entered into the capital assets management system in the same month.

H. 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.

NOTE: This sample administrative regulation provides a sample capital asset management system. It is important the administrative regulations adopted by a school district reflect its actual practice. The school district may choose to employ a service provider to conduct the annual capital assets physical count, annual capital assets listing and to implement a capital assets management system for capital assets required to be capitalized under board policy. Should the board employ a service provider, it is important to have the school attorney review the request for proposals and to draft the service provider contract.

This sample administrative regulation provides for valuing capital assets at historical cost as required by GAAP. This administrative regulation also requires the school district to maintain the replacement value of capital assets. Should the school district decide not to maintain replacement values for its capital assets, the requirement should be deleted from the administrative regulation.

CAPITAL ASSETS REGULATION *continued*

Some school districts in completing their initial capital assets listing consider a room a unit. For example, 25 student desks, one teacher's desk, one teacher's chair, wastebasket, two storage/file cabinets and so forth could be considered a room unit with a value of \$35,000. The unit is included as one item on the capital assets listing.

This may be a difficult element of a capital assets management system. Capital assets have a tendency to be moved around and the employees moving them generally do not remember to complete the paperwork or even to inform the superintendent. A quality annual reconciliation process must be done to ensure a valid ~~capital~~ assets listing. Some school districts require a designated person at each building to complete the paperwork upon the disposal of a capital asset. School districts with a local area network can save paperwork by allowing each building to enter the information regarding disposal of capital assets as long as the appropriate checks and balances exist to verify the information.

The school auditor may, at a minimum, require a capital assets listing with the historical or other cost basis and balance sheet accounting/class code for each capital asset in the capital assets listing. It is important for the school district to consult with the district's auditor prior to determining the school district's requirements for this annual report. The other items listed above are optional unless recommended by the school auditor to meet the school district's needs.

The capital assets listing total dollar amount must equal the amount entered on the school district's Certified Annual Report (CAR). This amount is calculated as follows:

*Capital assets listing prior year by balance sheet accounting/class code
+ Additions/Acquisitions by balance sheet accounting/class code
- Disposal by balance sheet accounting/class code
= Capital assets listing current year by balance sheet accounting/class code*

The last three reports may be used by school districts for many different purposes. For example, the "capital assets listing by location/building" and "capital assets listing by department/employee/person charged with custody" are used by school districts for the annual capital assets listing reconciliation to compare the actual capital assets in a building or department/room with the information in the capital assets management system.

CAPITAL ASSETS MANAGEMENT SYSTEM DEFINITIONS

Back trending/standard costing - an estimate of the historical original cost using a known average installed cost for like units as of the estimated addition/ acquisition date. This cost is only applied to the capital assets initially counted upon implementation of the capital assets management system when the historical original cost cannot be determined. It is inappropriate to apply the back trending/standard costing method to any capital assets acquired after the assets management system implementation date.

Balance sheet accounting/class codes - the codes set out for assets in the Iowa Department of Education Uniform Accounting Manual. They are: 200-capital assets; 211- land and land improvements; 221-site improvements; 222-accumulated depreciation on site improvements; 231-buildings and building improvements; 232-accumulated depreciation on buildings and building improvements; 241-machinery and equipment; 242-accumulated depreciation on machinery and equipment, 251-works of art and historical treasures; 252-accumulated depreciation on works of art and historical treasures, 261-infrastructure, 262-accumulated depreciation on infrastructure, and 271-construction in progress.

Book value - the value of capital assets on the records of the school district, which can be the cost or, the cost less the appropriate allowances, such as depreciation.

Buildings and building improvements - a capital assets account reflecting the addition/acquisition cost of permanent structures owned or held by a government and the improvements thereon.

Business-type activities – one of two classes of activities reported in the government-wide financial statements. Business-type activities are financed in the whole or in part by fees charged to external parties for goods or services. These activities are usually reported in enterprise funds.

Capital expenditures/expenses - expenditures/expenses resulting in the addition/acquisition of or addition/acquisition to the school district's capital assets.

Capital assets - Capital assets with a value of equal to or greater than (*\$ capitalization threshold*) based on the historical cost include: long-lived assets obtained or controlled as a result of past transactions, events or circumstances. Capital assets include buildings, construction in progress, improvements other than facilities, land, machinery and equipment, and intangible assets.

Capitalization policy - the criteria used by the school district to determine which capital assets will be reported as capital assets on the school district's financial statements and records

Capitalization threshold - The dollar value at which a government elects to capitalize tangible or intangible assets that are used in operations and that have initial useful lives extending beyond a single reporting period.

Capitalized interest - interest accrued and reported as part of the cost of the capital assets during the construction phase of a capital project. The construction phase extends from the initiation of pre-construction activities until the time the asset is placed in service.

Construction in progress - buildings in the process of being constructed other than infrastructure.

Cost - the amount of money or other consideration exchanged for goods or services.

CAPITAL ASSETS DEFINITIONS

Depreciation/Amortization - expiration in the service life of capital assets, other than wasting assets, attributable to wear and tear, deterioration, action of the physical elements, inadequacy and obsolescence. In accounting for depreciation/amortization, the cost of a capital asset, less any salvage value, is prorated over the estimated service life of such an asset, and each period is charged with a portion of such cost.

Fixtures - attachments to buildings that are not intended to be removed and cannot be removed without damage to the buildings. Those fixtures with a useful life presumed to be as long as that of the building itself are considered a part of the building. Other fixtures are classified as machinery and equipment.

General capital assets - capital assets that are not capital assets of any fund, but of the governmental unit as a whole. Most often these capital assets arise from the expenditure of the financial resources of governmental funds.

General capital assets account group (GFAAG) - a self-balancing group of accounts established to account for capital assets of the school district, not accounted for through specific proprietary funds.

Government activities – activities generally financed through taxes, intergovernmental revenues, and other non-exchange revenues. These activities are usually reported in governmental funds and internal service funds.

Government-wide financial statements – Financial statements that incorporate all of a government's governmental and business-type activities, as well as its nonfiduciary component units. There are two basic government-wide financial statements the statement of net assets and the statement of activities. Both basic government-wide financial statements are presented using the economic resources measurement focus and the accrual basis of accounting.

Historical (acquisition) cost - the actual costs expended to place a capital asset into service. For land and buildings, costs such as legal fees, recording fees, surveying fees, architect fees and similar fees are included in the historical cost. For machinery and equipment, costs such as freight and installation fees and similar fees are included in the historical cost.

Improvements – In addition made to, or change made in, a capital asset, other than maintenance, to prolong its life or to increase the efficiency or capacity. The cost of the addition or change is added to the book value of the asset.

Improvements other than buildings - attachments or annexation to land that are intended to remain so attached or annexed, such as sidewalks, trees, drives, tunnels, drains and sewers. Sidewalks, curbing, sewers and highways are sometimes referred to as "betterments," but the term "improvements" is preferred.

Infrastructure – long-lived capital assets that normally are stationary in nature and normally can be preserved for a significantly greater number of years than most capital assets. Examples of infrastructure assets include; roads, bridges, tunnels, drainage systems, water and sewer systems, dams, and lighting systems.

Investment in general capital assets - an account in the GFAAG representing the school district's investment in general capital assets. The balance in this account generally is subdivided according to the source of the monies that finance the capital assets addition/acquisition, such as general fund revenues and special assessments.

CAPITAL ASSETS DEFINITIONS *continued*

Land and buildings - real property owned by the school district.

Machinery and equipment - capital assets which maintain their identity when removed from their location and are not changed materially or consumed immediately (e.g., within one year) by use. Machinery and equipment are often divided into specific categories such as: transportation machinery and equipment which includes school buses and school district owned automobiles, trucks and vans; other motor machinery and equipment which includes lawn maintenance machinery and equipment, tractors, motorized carts, maintenance machinery and equipment, etc.; other machinery and equipment which includes furniture and machinery and equipment contained in the buildings whose original cost is equal to or greater than (*\$ capitalization threshold*), and capital assets under capital leases and capital assets being acquired under a lease/purchase agreement.

Proprietary funds – Funds that focus on the determination of operating income, changes in net assets (or cost recovery), financial position, and cash flows. There are two different types of proprietary funds: enterprise funds and internal service funds.

Replacement cost - the amount of cash or other consideration required today to obtain the same capital assets or its equivalent.

BUILDINGS & SITES ADAPTATION FOR PERSONS WITH DISABILITIES

The board recognizes the need for access to its buildings and sites by persons with disabilities. School district buildings and sites currently in use will be altered to be accessible to persons with disabilities unless the alteration would cause an undue hardship for the school district. Renovated and new buildings and sites will be accessible to persons with disabilities.

It is the responsibility of the superintendent, upon board approval, to take the necessary action to ensure school district buildings and sites are accessible to persons with disabilities.

NOTE: This policy reflects disability law as it relates to physical facilities. School districts are required to have a physical facilities transition plan that outlines when physical facilities will become accessible to persons with disabilities.

Legal Reference: 29 U.S.C. §§ 621-634 (2010).
42 U.S.C. §§ 12101 *et seq.* (2010).
Iowa Code chs. 104A; 216 (2013).

Cross Reference: 102 Equal Educational Opportunity
603.3 Special Education

Approved: 1996-1997 Reviewed: August 12, 2013 Revised: September 18, 2013

VANDALISM

The board believes everyone should treat school district buildings and sites and property with respect for the benefit of the education program. Users of school district property will treat it with care. Employees discovering vandalism should report it to the building principal as soon as possible.

Persons suspected, found or proven to have destroyed or otherwise harmed school district property may be subject to discipline by the school district, if the person is under the jurisdiction of the school district, and may be reported to local law enforcement officials. Persons who are not under the jurisdiction of the school district and who are suspected, found or proven to have destroyed or otherwise harmed school district property will be reported to the local law enforcement authorities.

Legal Reference: Iowa Code § 279.8 (2013).

Cross Reference: 502 Students Rights and Responsibilities
903.4 Public Conduct on School Premises

Approved: 1996-1997

Reviewed: August 12, 2013

Revised: September 18, 2013

ENERGY CONSERVATION

In concert with the board's goal to utilize public funds in an effective and efficient manner, employees and students will practice energy conservation methods when utilizing the school district's buildings and sites. These methods include, but are not limited to, turning off lights and equipment when not in use, reducing the temperature of the facility, particularly when it is not in use, and keeping windows and doors properly closed or open, depending upon the weather.

It is the responsibility of the superintendent to develop energy conservation guidelines for employees and students. Employees and students will abide by these guidelines.

Legal Reference: Iowa Code §§ 279.44; 473.19-.20 (2013).

Cross Reference: 700 Purpose of Noninstructional and Business Services

Approved: 1996-1997

Reviewed: August 12, 2013

Revised: September 18, 2013

DISPOSITION OF OBSOLETE EQUIPMENT

School property, such as equipment, furnishings, or supplies (hereinafter equipment), will be disposed of when it is determined to be of no further use to the school district. It is the objective of the school district in disposing of the equipment to achieve the best available price or most economical disposal.

Obsolete equipment having a value of less than \$5,000 will be sold or disposed of in a manner determined by the board. However, the sale of equipment, furnishings or supplies disposed of in this manner will be published in a newspaper of general circulation. The publication of the sale or disposition will be published with at least one insertion each week for two consecutive weeks. Any other disposition may be done in any other manner so with only one insertion in same newspaper.

A public hearing will be held regarding the disposal of the equipment with a value of \$5,000 or more prior to the board's final decision. The board will adopt a resolution announcing the proposed sale and will publish notice of the time and place of the public hearing and the description of the property will be in the resolution.

Notice of the public hearing will be published at least once, but not less than 10 days and not more than 20 days, prior to the hearing date. Upon completion of the public hearing, the board may dispose of the equipment.

It is the responsibility of the superintendent to make a recommendation to the board regarding the method for disposing of equipment of no further use to the school district.

NOTE: The language in the second and third paragraphs reflect Iowa law regarding the sale of personal property. Boards should add their procedures for disposition of personal property valued at less than \$5,000 in the second paragraph.

Legal Reference: Iowa Code §§ 297.22-.25 (2014).

Cross Reference: 704 Revenue
705.1 Purchasing - Bidding
803 Selling and Leasing

Approved: 1996-1997 Reviewed: August 12, 2013 Revised: July 14, 2014

LEASE, SALE OR DISPOSAL OF SCHOOL DISTRICT BUILDINGS & SITES

Decisions regarding the lease, sale, or disposal of school district real property are made by the board. In making its decision the board will consider the needs of the education program and the efficient use of public funds.

Prior to the board's final decision regarding real property with, a public hearing will be held. The board will adopt a resolution announcing the proposed sale which will contain notice of the time and place of the public hearing and the description of the property or locally known address. Notice of the time and place of the public hearing will be published at least once, but not less than 10 days and not more than 20 days, prior to the hearing date. Upon completion of the public hearing, the board may dispose of the property.

If the real property contains less than two acres, is located outside of a city, is not adjacent to a city and was previously used as a schoolhouse site, the property may revert to the owner of the tract from whom the property was taken following the procedures set forth in *Iowa Code* §§ 297.15-.25.

In the case of a sale or lease of school district real property not being used for the education program, unless otherwise exempted, advertisements for bids will be taken. If the bids received by the board are deemed inadequate, the board may decline to sell or lease the property and re-advertise.

In the case of the razing of a school district facility, at a cost of \$2,500 or more, the board will advertise and take bids for the purpose of awarding the contract for the project.

The superintendent is responsible for coordinating the action necessary for the board to accomplish the lease, sale, or disposal of school district real property, including student-constructed buildings. It will also be the responsibility of the superintendent to make a recommendation to the board regarding the use of school district real property not being utilized for the education program.

NOTE: The language in the second and third paragraph reflect Iowa law regarding the sale of real property. The amount in the blank should be consistent with the amounts in Policies 705.1 and 802.2.

Legal Reference: Iowa Code §§ 297.15-.25 (2013).

Cross Reference: 704 Revenue
705.1 Purchasing - Bidding
803 Selling and Leasing

Approved: 1996-1997

Reviewed: August 12, 2013

Revised: September 18, 2013

FACILITIES INSPECTIONS

A program for annual inspection, in addition to those conducted by authorized agencies, of the equipment, facilities, and grounds will be conducted as part of the maintenance schedule for school district buildings and sites. The results of this inspection will be reported to the board at its annual meeting. Further, the board may conduct its own inspection of the school district buildings and sites annually.

Legal Reference: Iowa Code § 279.8 (2013).

Cross Reference: 802 Maintenance, Operation and Management

Approved: 1996-1997

Reviewed: August 12, 2013

Revised: September 18, 2013

WARNING SYSTEM AND EMERGENCY PLANS

The school district will maintain a warning system designed to inform students, employees, and visitors in the facilities of an emergency. This system is maintained on a regular basis under the maintenance plan for school district buildings and sites.

Students are informed of this system according to board policy. Each classroom and office will have a plan for helping those in need of assistance to safety during an emergency. This will include, but not be limited to, students and employees with disabilities.

Licensed employees are responsible for instructing students on the proper techniques to be followed during an emergency. It is the responsibility of the superintendent to develop administrative regulations regarding this policy.

Legal Reference: Iowa Code § 100.31 (2013).

Cross Reference: 507 Student Health and Well-Being
711.7 School Bus Safety Instruction
804 Safety Program

Approved: 1996-1997

Reviewed: August 12, 2013

Revised: September 18, 2013

BOMB THREATS

As soon as a bomb threat is reported to the administration, the school district facility should be cleared immediately. A thorough search will be made by the appropriate school district or law enforcement officials. Employees and students will remain outside the school district facility until it is determined that danger no longer exists.

It is the responsibility of the superintendent to file a report or keep a report of each incident for the school district records.

Legal Reference: Iowa Code § 279.8 (2013).

Cross Reference: 804 Safety Program

Approved: 1996-1997

Reviewed: August 12, 2013

Revised: September 18, 2013

ASBESTOS CONTAINING MATERIAL

Friable and nonfriable asbestos containing materials will be maintained in good condition and appropriate precautions will be followed when the material is disturbed. If there is a need to replace asbestos it will be replaced with nonasbestos containing materials. Each school building will maintain a copy of the asbestos management plan.

The school district will annually notify, appoint and train appropriate employees as necessary.

Legal Reference: 20 U.S.C. §§ 3601 *et seq.* (2010).
40 C.F.R. Pt. 763.84 (2010).
Iowa Code §§ 279.52-.54 (2013).

Cross Reference: 403.4 Hazardous Chemical Disclosure
802 Maintenance, Operation and Management

Approved: 1996-1997

Reviewed: August 12, 2013

Revised: September 18, 2013