

Exhibit 7

Policy 7450 – Property Inventory (Revised)

Policy 7455 – Accounting System for Capital Assets (Revised)



Book	Policy Manual
Section	Policies for the Board 33-2
Title	Copy of PROPERTY INVENTORY
Code	po7450
Status	Work Session
Adopted	May 20, 2010
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7450 - **PROPERTY INVENTORY**

As steward of the Corporation's property, the School Board recognizes that efficient management and full replacement upon loss requires accurate inventory and properly maintained property records.

The Board shall maintain a continuous inventory of all Corporation-owned equipment ~~() and supplies [END OF OPTION] and the results reconciled with the property records at least once () annually. (X) every two (2) years. [specify number; Federal regulations require at least once every two (2) years] () at such intervals as will coincide with property insurance renewal. () and Generally Accepted Accounting Principles (G.A.A.P.) reporting requirements. [END OF OPTIONS]~~

For purposes of this policy, "equipment" shall mean a unit of furniture or furnishings, an instrument, a machine, an apparatus, or a set of articles which retains its shape and appearance with use, is non-expendable, costs at least \$5,000.00 to replace and does not lose its identity when incorporated into a more complex unit. When defining supplies for inventory purposes, no items will be counted whose total value is less than \$5,000.00.

It shall be the duty of the Business Manager to ensure that inventories are recorded systematically and accurately and property records of equipment are updated and adjusted annually by reference to purchase orders and withdrawal reports.

The Business Manager shall maintain a system of property records which shall show, as appropriate to the item recorded:

- A. description and identification,
- B. manufacturer,
- C. year of purchase,
- D. initial cost,
- E. location,
- F. condition and depreciation,
- G. evaluation in conformity with insurance requirements.

Equipment acquired under a Federal award will vest upon acquisition to the Corporation, subject to the following conditions:

- A. The equipment shall be used for the authorized purposes of the award project during the period of performance or until the equipment is no longer needed for the purposes of the project.

- B. The equipment shall not be encumbered without the approval of the Federal awarding agency or the pass-through entity.
- C. The equipment may be only used and disposed of in accordance with the provisions of the Federal awarding agency or the pass-through entity and Policy 7300, Policy 7310, and AG 7310.
- D. Property records shall be maintained that include a description of the equipment, a serial number or other identification number, the source of funding for the equipment (including the FAIN), title entity, acquisition date, cost of the equipment, percentage of Federal participation in the project costs for the award under which the equipment was acquired, the location, use, and condition of the equipment, and ultimate disposition data, including date of disposal and sale price of the equipment.
- E. A physical inventory of the property must be taken and results reconciled with property records at least once every two (2) years.
- F. A control system shall be developed to provide adequate safeguards to prevent loss, damage, or theft of the property. Any such loss, damage, or theft shall be investigated.
- G. Adequate maintenance procedures shall be implemented to keep the property in good condition.
- H. Proper sales procedures shall be established to ensure the highest possible return, in the event the Corporation is authorized or required to sell the equipment/property.
- I. When original or replacement equipment acquired under a Federal award is no longer needed for the original project/program or for activities currently or previously supported by a Federal awarding agency, and except as otherwise provided by Federal statutes, regulations, or Federal awarding agency disposition instructions, the Corporation shall request disposition instructions from the Federal awarding agency if required by the terms and conditions of the Federal award. Disposition of the equipment shall be made in accordance with the provisions of 2 C.F.R. 200.313.

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2 C.F.R. 200.313



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7455 - ACCOUNTING SYSTEM FOR ~~CAPITAL~~**FIXED** ASSETS

The School Board shall maintain a ~~capital-asset~~**fixed-asset**, accounting system. The ~~capital-asset~~**fixed-asset** system shall maintain sufficient information to permit the following:

- A. the preparation of year-end financial statements in accordance with ~~generally-accepted, accounting principles~~ Generally Accepted Accounting Principles (GAAP)
- B. adequate insurance coverage
- C. control and accountability

~~Capital~~**Fixed** assets are defined as those tangible assets of the School Corporation: ~~with a useful life in excess of one (1) year and an initial cost equal to or exceeding the amount determined periodically in the Corporation's administrative guidelines. Some items may be identified as "controlled" assets that, although they do not meet all fixed asset criteria, are to be recorded on the fixed-asset system to maintain control.~~

- A. with a useful life in excess of one (1) year;
- B. with an initial cost equal to or exceeding the amount determined periodically in the Corporation's administrative guidelines;
- C. which are capitalized in accordance with GAAP; and
- D. which the Corporation intends to hold or continue in use for an extended period of time.

Further, some items may be identified as "controlled" assets that, although they do not meet all capital asset criteria, are to be recorded on the capital-asset system to maintain control.

~~Capital~~**Fixed** assets shall be classified as follows:

- A. land, buildings (facilities), equipment, and intellectual property (including software) whether acquired by purchase, construction, manufacture, exchange, or through a lease accounted for as a financed purchase under Government Accounting Standards Board (GASB) standards or a finance lease under Financial Accounting Standards Board (FASB) standards; and

- B. building additions, improvements, modifications, replacements, rearrangements, reinstallations, renovations or alterations to capital assets that materially increase their value or useful life (not ordinary repairs and maintenance).
- C. ~~improvements other than building~~
- D. ~~machinery and equipment~~
- E. ~~furniture and fixtures~~
- F. ~~vehicles~~
- G. ~~underground lines and other infrastructure~~
- H. ~~construction-in-progress~~

Leased capital~~fixed~~-assets and assets which are jointly-owned shall be identified and recorded on the capital~~fixed~~-asset system.

Capital~~Fixed~~ assets shall be recorded at actual, or if not determinable, estimated purchase price or fair market value at the time of acquisition. The method(s) to be used to estimate such price or market value shall be established by the Business Manager.

The ~~School~~-Corporation will capitalize items with an individual value equal to or greater than \$5,000.00. Improvements or renovations to existing machinery and equipment will be capitalized only if the change causes the total cost to exceed \$5,000.00, extends its useful life two (2) or more years, and if the total costs will be greater than the current book value and less than fair market value.

The Superintendent shall develop administrative guidelines to ensure proper purchase, transfer, and disposal of capital~~fixed~~ assets.

Depreciation shall be recorded for funded capital~~fixed~~-assets using the method(s) agreed upon by the Superintendent and the Business Manager.

The following information shall be maintained for all capital~~fixed~~ assets:

- A. description
- B. asset classification (land, building, equipment, etc.)
- C. location
- D. purchase price
- E. vendor
- F. date purchased
- G. voucher number
- H. estimated useful life
- I. estimated salvage value
- J. replacement cost
- K. accumulated depreciation
- L. method of acquisition (purchase, trade-in, lease, donated etc.)
- M. appropriation
- N. manner of asset disposal