

## 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 shall be the goal of the board to provide sufficient school district buildings and sites for the education program. The board shall 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 shall have final authority to determine what is necessary to meet the needs of the education program.

It shall be 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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Revised \_\_\_\_\_

BUILDINGS & SITES LONG RANGE PLANNING

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

It shall be 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 (2003).

Cross Reference: 105 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 shall be 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 (2003).

Cross Reference: 105 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 §§ 73A.2, .18; 280.3, .14; 297; 544A (2003).  
1974 Op. Att'y Gen. 529.

Cross Reference: 801 Site Acquisition and Building Construction

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SELECTION OF AN ARCHITECT

The board shall have the authority to select the architect for construction projects. The financial condition of the school district, the ability of the architect to meet the building and site specifications, the experience of the architect and other factors deemed relevant by the board will be considerations for selection of an architect.

It shall be the responsibility of the board to interview the architects and make a decision.

Legal Reference: Iowa Code chs. 297; 544A (2003).

Cross Reference: 801 Site Acquisition and Building Construction

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Revised \_\_\_\_\_

SITE ACQUISITION

Sites acquired by the board shall 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 shall be 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 (2003).

Cross Reference: 213 Closed Sessions  
705.1 Purchasing - Bidding  
801 Site Acquisition and Building Construction

Approved 11/1/2004

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Revised \_\_\_\_\_

## 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 board shall approve the quote for the project.

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.

Legal Reference: Iowa Code §§ 72; 73; 73A.2, .18; 297.7-.8 (2003).

Cross Reference: 705 Expenditures  
801 Site Acquisition and Building Construction

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FINANCING SITES & CONSTRUCTION

Prior to the approval of a construction contract, except emergency construction, the board shall review methods for financing the project. The board may use the means it deems necessary to pay for the purchase of sites and construction. In determining the means of financing for these purposes, the board shall consider the financial condition of the school district and the uses allowed for the monies of the school district.

It shall be the responsibility of the superintendent to analyze the various methods of financing for the purchase of sites and construction and make a recommendation to the board.

Legal Reference: Harney v. Clear Creek Community School District, 261 Iowa 315, 154 N.W.2d 88 (1967).  
Liggett v. Abbott, 192 Iowa 742, 185 N.W. 569 (1921).  
Iowa Code §§ 73A; 74; 74A; 75; 278.1; 296; 297; 298 (2003).  
1974 Op. Att'y Gen. 598.  
1938 Op. Att'y Gen. 167.  
1936 Op. Att'y Gen. 423.

Cross Reference: 705 Expenditures  
801 Site Acquisition and Building Construction

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SUPERVISION OF CONSTRUCTION

Construction authorized by the board must be supervised for proper execution. The board will tour the completed construction area before allowing final payment on the project.

It shall be the responsibility of the architect to supervise construction projects of the school district as they are completed. The superintendent shall work closely with the architect and provide the board with progress reports at each meeting until the construction is completed.

Legal Reference: Iowa Code § 279.8 (2003).

Cross Reference: 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 shall be the responsibility of the superintendent to maintain the school district buildings and sites. As part of this responsibility, a maintenance schedule shall be created and adhered to in compliance with this policy.

Legal Reference: Iowa Code §§ 279.8; 280.3, .14 (2003).

Cross Reference: 502.2 Care of School Property/Vandalism  
502.7 Student Lockers  
802 Maintenance, Operation and Management  
804.1 Facilities Inspections

Approved 11/1/2004

Reviewed 01/18/2010

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REQUESTS FOR IMPROVEMENTS

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

Minor improvements, not exceeding a cost of \$25,000, may be approved by the superintendent. Improvements exceeding \$25,000 must be approved by the board. Routine maintenance and repairs outlined in the maintenance schedule shall be followed.

Legal Reference: Iowa Code §§ 279.8; 280.3, .14 (2003).

Cross Reference: 802.1 Maintenance Schedule  
802.3 Emergency Repairs

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EMERGENCY REPAIRS

In the event an emergency requiring repairs in excess of \$40,000 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 shall not apply.

It shall be the responsibility of the superintendent to obtain certification from the area education agency administrator stating such repairs in excess of \$40,000 were necessary to prevent the closing of school.

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

Legal Reference: Iowa Code §§ 280.3, .14; 297.8 (2003).

Cross Reference: 705.1 Purchasing - Bidding  
802 Maintenance, Operation and Management

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## CAPITAL ASSETS

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 \$5,000. 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 \$25,000 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.

This policy applies to all intangible assets. 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 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, and/or other designated staff, to count and reconcile the capital assets with capital assets management system on June 30 each year.

It is the responsibility of the superintendent, and/or other designated staff, to develop administrative regulations implementing this policy. It will also be the responsibility of the superintendent, and/or other designated staff, to educate employees about this policy and its supporting administrative regulations.

Legal Reference: Iowa Code §§ 257.31(4); 279.8; 297.22-.25; 298A (2009).

Cross Reference: 709 Insurance Program  
701.3 Financial Records

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09/20/2010

## CAPITAL ASSETS REGULATION

## A. Capital Assets Management System

The superintendent, and/or other designated staff, shall:

- 1) Conduct the fixed assets physical count;
- 2) Develop the fixed assets listing;
- 3) Tag fixed assets included in the fixed assets management system with a bar code identification number;
- 4) Make a recommendation of a computer software program for managing the fixed assets management system;
- 5) Enter the necessary data into the fixed capital assets management system and compile the appropriate reports;
- 6) Develop forms and procedures for maintaining the integrity of the fixed capital assets management system; and,
- 7) Maintain responsibility for an accurate fixed 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. Fixed assets purchased under a capital lease are valued at historical cost of the 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

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, and/or other designated staff, 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 \$5,000. 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.



## CAPITAL ASSETS REGULATION

5. Capital assets acquired in a month must be entered into the capital assets management system in the same month.
- 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:

## CAPITAL ASSETS REGULATION

- 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;
  - 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.

## 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 \$5,000 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** – An 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

**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 \$5,000, 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 shall 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.

Legal Reference: 29 U.S.C. §§ 621-634 (1994).  
42 U.S.C. §§ 12101 *et seq.* (1994).  
Iowa Code chs. 104A; 216 (2003).

Cross Reference: 103 Equal Educational Opportunity  
603.2 Special Education

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## PARKING

Employees shall park only in the areas designated as employee parking and abide by school district parking regulations.

Visitors to the school district shall park in the parking area designated for visitor parking. Students shall abide by board policies dealing with the use of bicycles and motor vehicles. Parking areas designated for persons with disabilities may be used only by persons with disabilities.

Failure to comply with this policy or school district regulations will be reason for revocation of school district parking privileges.

Legal Reference: Iowa Code §§ 104A.7; 279.8; 321 (2003).  
661 I.A.C. 18.1-.8.

Cross Reference: 502 Student Rights and Responsibilities  
904.4 Public Conduct on School Premises

Approved 11/1/2004

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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 shall 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 shall be reported to the local law enforcement authorities.

Legal Reference: Iowa Code § 279.8 (2003).

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

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## ENERGY CONSERVATION

In concert with the board's goal to utilize public funds in an effective and efficient manner, employees and students shall 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 shall be the responsibility of the superintendent to develop energy conservation guidelines for employees and students. Employees and students shall abide by these guidelines.

Legal Reference: Iowa Code §§ 279.44; 473.19-.20 (2003).

Cross Reference: 700 Purpose of Noninstructional and Business Services

Approved 11/1/2004

Reviewed 02/22/2010

Revised \_\_\_\_\_

CONTRACT FOR MAINTENANCE SERVICES

The board may contract for custodial and other maintenance services for the school district buildings and sites. The superintendent is authorized to contract for such services. Except in the case of an emergency, the board shall approve the contracts for these services if the cost exceeds \$25,000.

It shall be the responsibility of the superintendent to consider the financial condition of the school district and other factors deemed relevant by the superintendent in making such contracts.

Legal Reference: Iowa Code § 279.8 (2003).

Cross Reference: 703 Budget  
705 Expenditures  
802.3 Emergency Repairs

Approved 11/1/2004

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## INTANGIBLE ASSETS

### Identifiable

An intangible asset should be recognized in the statement of net assets only if it is identifiable which means the asset is either:

- a) separable (i.e. it can be separated/divided from the government and sold, transferred, licensed, rented or exchanged) or
- b) arose from contractual or other legal rights, regardless of whether those rights are transferable or separable.

### Criteria

GASB Statement 51 defines intangible assets as assets that are identifiable and possess all of the following characteristics:

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

Examples of intangible assets include easements, land use rights (i.e. water rights, timber rights and mineral rights), patents, trademarks and copyrights. In addition, intangible assets include computer software that is 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.

All intangible assets subject to the provisions of GASB Statement 51 should be classified as capital assets. Accordingly, existing authoritative guidance related to the accounting and financial reporting for capital assets (i.e. recognition, measurement, presentation, disclosure, etc.) should be applied to intangible assets as applicable.

### Exclusions

GASB Statement 51 applies to all intangible assets except: (a) assets acquired or created primarily for purposes of directly obtaining income or profit (these intangible assets should be considered investments), (b) assets from capital lease transactions reported by lessees, except licensing agreements to lease commercially available computer software, and (c) goodwill created through the combination of a government and another entity.

### Threshold for Capitalization

The establishment of an intangible asset capitalization threshold policy has been recommended by the County Finance Committee and adapted for LEAs and AEAs. The policy should be approved by the Board of Education. The threshold is to be consistently applied by all departments and offices of the District for financial reporting purposes. All intangible assets at or above \$25,000 must be reported for the audit and Certified Annual Report (CAR), all other intangible assets are excluded.

### Measurement/Recognition

Effective July 1, 2009, intangible assets exceeding the District's threshold should be recorded at actual historical cost. For business-type activities and enterprise funds capitalized interest and ancillary charges, if any, should be included in the historical cost.

Only direct costs will be capitalized (indirect costs will not be included).

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## INTANGIBLE ASSETS

Intangible assets received in a nonexchange transaction (i.e. donated) are to be recorded at their estimated fair value at the time of acquisition.

- The fair value of an asset is the amount at which the asset could be exchanged in a current transaction between willing parties, other than in forced or liquidation sale. Therefore, it would be inappropriate to arbitrarily assign a nominal value to a donated intangible asset without applying a rational technique to estimate its fair value.

The threshold for intangible assets applies to individual assets and it is not acceptable to account for items in aggregate to meet the threshold limitations.

For internally generated intangible assets (see next page), outlays incurred by the government's personnel, or by a third-party contractor on behalf of the government, for development of internally generated intangible assets should be capitalized.

For internally generated computer software, outlays incurred during the application development stage (see next page) will be capitalized if they exceed the threshold. These outlays include the initial purchase of the computer software/license and modifications made to the software before it is placed into operation. The initial purchase of the software/license and modifications made should be analyzed separately for capitalization purposes (do not aggregate).

- Costs incurred prior to July 1, 2009, for internally generated computer software projects in the application development stage will not be capitalized. However, costs incurred July 1, 2009 and beyond, for these projects will be capitalized if exceeding the District's threshold.

Computer software licenses purchased/renewed will not be aggregated. Each individual license purchased/renewed will be measured against the District's threshold and the useful life must extend beyond a single reporting period in order for the license to be capitalized.

### Internally Generated Intangible Assets

Internally generated intangible assets are created or produced by the government or an entity contracted by the government, or they are acquired from a third party but require more than minimal incremental effort on the part of the government to begin to achieve their expected level of service capacity.

Outlays related to the development of an internally generated intangible asset that is identifiable should be capitalized only upon the occurrence of all three of the following:

#### Specified-Conditions Criteria

- a) Determination of the specific objective of the project and the nature of the service capacity that is expected to be provided by the intangible asset upon completion of the project.
- b) Demonstration of the technical or technological feasibility for completing the project so that the intangible asset will provide its expected service capacity.
- c) Demonstration of the current intention, ability, and presence of effort to complete or, in the case of a multiyear project, continue development of the intangible asset.

## INTANGIBLE ASSETS

Only outlays incurred subsequent to meeting the above criteria should be capitalized; outlays incurred prior to this point should be expensed.

### Internally Generated Computer Software

Computer software is considered internally generated if it is developed in-house by the government's personnel or by a third-party contractor on behalf of the government.

Commercially available software that is purchased or licensed by the government and modified using more than minimal incremental effort before being put into operation should be considered internally generated.

The development and installation of internally generated computer software can be grouped into three stages:

- 1) **Preliminary Project Stage:** involves conceptual formulation and evaluation of alternatives, determination of the existence of needed technology and final selection of alternatives for development of the software. Expense all outlays in this stage.
- 2) **Application Development Stage:** includes the design of the chosen path (i.e. software configuration, software interfaces), coding, installation to hardware, and testing. Data conversion activities could be included in this phase if those activities are deemed necessary to make the software operational. Capitalize all outlays incurred during this stage once the Specified-Conditions Criteria are met. (Note: the Specified-Conditions Criteria are considered met when the Preliminary Project Stage is complete and management authorizes/commits to funding the project.) Capitalization should cease when the computer software is substantially complete and operational.
- 3) **Post-Implementation/Operation Stage:** includes application training and software maintenance. Data conversion activities would be included in this stage if not deemed necessary to make the software operational. Expense all outlays in this stage.

Outlays associated with an internally generated modification of computer software that is already in operation should be capitalized if the modification results in any of the following:

- a) increase in functionality of the software (able to perform tasks that it was previously incapable of performing),
- b) increase in efficiency of the software (increase in level of service provided without the ability to perform additional tasks) or
- c) extension of the estimated useful life.

If the modification does not result in any of the three outcomes, the modification should be considered maintenance and expensed accordingly.

### Amortization (Use Straight-Line Method)

The useful life of an intangible asset that arises from contractual or other legal rights should not exceed the period to which the service capacity of the asset is limited by those contractual or legal provisions. Contract renewal periods may be considered in determining the useful life of the intangible asset if there is evidence the government will seek and be able to achieve renewal and the anticipated outlay for renewal is nominal in relation to the level of service capacity obtained.

If there are no legal, contractual, regulatory, technological or other factors that limit the useful life of an intangible asset, then the intangible asset should be considered to have an indefinite useful life and no amortization should be recorded.

A useful life that must be estimated does not mean indefinite useful life.

## INTANGIBLE ASSETS

### Impairment

If changes in factors and conditions result in the useful life of an intangible asset no longer being indefinite, the asset should be tested for impairment because a change in the expected duration of use of the asset has occurred. The carrying value of the intangible asset, if any, following the recognition of any impairment loss should be amortized in subsequent reporting periods over the remaining estimated useful life of the asset.

A common indicator of impairment for internally generated intangible assets is development stoppage, such as stoppage of development of computer software due to changes in the priorities of management.

### Retroactive Reporting

The District will not retroactively report the following intangible assets:

- 1) Those considered to have indefinite useful lives as of June 30, 2009.
- 2) Those that would be considered internally generated as of June 30, 2009.
- 3) Costs incurred prior to July 1, 2009, for internally generated computer software projects in the application development stage will not be capitalized. However, costs incurred July 1, 2009 and beyond, for these projects will be capitalized if exceeding the District's threshold.

Intangible assets (and related amortization) requiring retroactive reporting (for the period July 1, 1980 through June 30, 2009) will be reported at actual historical cost. This includes purchased software that is still in use, even if fully amortized as of June 30, 2009. [Note: Phase 3 districts are not required to retroactively report any intangible assets.]

NOTE: If actual historical cost cannot be determined for these intangible assets due to lack of sufficient records, estimated historical cost will be used.

### Miscellaneous

This policy must be applied to all intangible assets. 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 intangible asset and amortization to avoid reporting.

When intangible 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.

Code No. 803.1

School property, such as equipment, furnishings, or supplies (hereafter equipment), will be disposed of when it is determined to be of no further use to the school district. It shall be 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 shall be disposed of in a manner determined by the board. The equipment will be used until thrown away. However, the sale of equipment, furnishings or supplies disposed of in this manner shall be published in a newspaper of general circulation. The publication of the sale shall be published with at least one insertion each week for two consecutive weeks.

A public hearing shall 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 shall adopt a resolution announcing the proposed sale and shall publish notice of the time and place of the public hearing and the description of the property shall be in the resolution. Notice of the public hearing shall 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 shall be 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.

Legal Reference: Iowa Code §§ 297.22-.25 (2003).

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

Approved 11/1/2004

Reviewed 02/22/2010

Revised \_\_\_\_\_

LEASE, SALE OR DISPOSAL OF SCHOOL DISTRICT BUILDINGS & SITES

Decisions regarding the lease, sale, or disposal of school district real property shall be 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, a public hearing shall be held. The board shall adopt a resolution announcing the proposed sale which shall 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 shall 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 the razing of a school district facility, at a cost of \$25,000 or more, the board will advertise and take bids for the purpose of awarding the contract for the project.

The superintendent shall be 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 shall 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.

Legal Reference: Iowa Code §§ 297.15-.25 (2003).

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

Approved 11/1/2004

Reviewed 02/22/2010

Revised 04/19/2010



VACANT FACILITIES

School district facilities which have been vacated by the school district and are available for lease or purchase shall be reported to the city, county, and Iowa Department of General Services.

It shall be the responsibility of the board secretary to complete and send this notice. The board secretary should also notify the school district insurance carrier.

Legal Reference: Iowa Code § 297.4 (2003).

Cross Reference: 803 Selling and Leasing

Approved 11/1/2004

Reviewed 02/22/2010

Revised \_\_\_\_\_

FACILITIES INSPECTIONS

A program for annual inspection, in addition to those conducted by authorized agencies, of the equipment, facilities, and grounds shall be conducted as part of the maintenance schedule for school district buildings and sites. The results of this inspection shall 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 (2003).

Cross Reference: 802 Maintenance, Operation and Management

Approved 11/1/2004

Reviewed 02/22/2010

Revised \_\_\_\_\_

WARNING SYSTEM & EMERGENCY PLANS

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

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

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

Legal Reference: Iowa Code § 100.31 (2003).

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

Approved 11/1/2004

Reviewed 02/22/2010

Revised \_\_\_\_\_

FIRST AID

The board encourages employees to be trained in emergency first aid care and cardio-pulmonary resuscitation (CPR). The school district may provide a program annually for those employees who wish to learn or update emergency first aid care.

Legal Reference: Iowa Code §§ 279.8; 613.17 (2003).

Cross Reference: 403.2 Employee Injury on the Job  
507.4 Student Illness or Injury at School

Approved 11/1/2004

Reviewed 02/22/2010

Revised \_\_\_\_\_

FACILITIES SECURITY

To protect the school district buildings and sites and equipment, the facilities shall be locked when school is not in session. When school activities or public activities are held in the school district facilities, only the appropriate doors, as determined by the superintendent and the building principals, shall be unlocked for access to the school district facilities.

It shall be the responsibility of employees and users of the school district facilities to abide by this policy.

Legal Reference: Iowa Code §§ 279.8; 280.3, .14 (2003).

Cross Reference: 401.9 Use of School District Facilities & Equipment by Employees  
709 Insurance  
906 Use of School District Facilities & Equipment

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Reviewed 02/22/2010

Revised \_\_\_\_\_

EMPLOYEE SAFETY INSERVICE

The administration and custodians may conduct in-services for employees to review safety practices and accident prevention.

Legal Reference: Iowa Code §§ 279.8; 280.3, .14 (2003).

Cross Reference: 804 Safety Program

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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 shall remain outside the school district facility until it is determined that danger no longer exists.

It shall be 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 (2003).

Cross Reference: 804 Safety Program

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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.* (1994).  
40 C.F.R. Pt. 763.84 (2002).  
Iowa Code §§ 279.52-.54 (2003).

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

Approved 11/1/2004

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Revised \_\_\_\_\_