

SCHUYLKILL
VALLEY
SCHOOL DISTRICT

SECTION: FINANCES

TITLE: GASB STATEMENT 34

ADOPTED: February 26, 2001

REVISED: November 19, 2001

<p>1. Purpose SC 613</p> <p>2. Authority</p> <p>3. Delegation of Responsibility</p>	<p style="text-align: center;">622. GASB STATEMENT 34</p> <p>The Board recognizes the need to implement the required accounting and financial reporting standards stipulated by the Pennsylvania Department of Education.</p> <p>The primary objectives of implementing the GASB Statement 34 are to assure compliance with state requirements, and properly account for both the financial and economic resources of the district.</p> <p>Participation of the school district in any such activity shall be in accordance with Board policy.</p> <p>The responsibility to coordinate the compilation and preparation of all information necessary to implement this policy is delegated to the Business Manager.</p> <p>The designated individual shall be responsible for implementing of the necessary procedures to establish and maintain a fixed asset inventory, including depreciation schedules. Depreciation shall be computed on a straight-line basis over the useful lives of the assets, using an averaging convention. Normal maintenance and repairs shall be charged to expense as incurred; major renewals and betterments that materially extend the life or increase the value of the asset shall be capitalized. A schedule of accumulated depreciation shall be consistent from year to year. The basis for depreciation, including groups of assets and useful lives, shall be in writing and submitted for review to the Board.</p> <p>The Business Manager and Superintendent shall prepare the required Management Discussion and Analysis (MD&A). The MD&A shall be in the form required by GASB Statement 34 and shall be submitted to the Board for approval, prior to publication.</p> <p>Prior to submission of the MD&A for Board approval, the district's independent auditors shall review the MD&A, in accordance with SAS No. 52, "Required Supplementary Information."</p>
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4. Guidelines

Capitalized Assets

A capitalized asset shall be any asset acquired by donation or purchase that has a useful life of longer than one year or extends the life of another capitalized asset or increases its value and meets a specific dollar threshold. At management's discretion, and in conjunction with the local auditor, capital assets purchased with long-term debt may be capitalized regardless of the specific dollar threshold for the type of class of asset acquired.

Value of Assets

All capitalized assets shall be recorded at historical cost at acquisition date or estimated cost if acquired prior to the date of the initial inventory. Any donated capital asset shall be recorded at the date of donation using the fair market value of the item at that date.

Depreciation

Depreciation shall be based on the straight-line method of depreciation over the estimated useful life of each depreciable asset or group of assets. Periodically, management shall evaluate the estimated useful life of each depreciable asset to determine if revision of such estimate is required.

Dollar Threshold and Useful Life

A dollar threshold and useful life for each asset shall be set at an appropriate level. The schedule of dollar threshold and useful life is shown on Attachment A of this policy. Management should periodically review these levels with assistance from the local independent auditor and make any modifications necessary.