



Every Student Matters, Every Moment Counts

Morton School District #214

PO Box 1219

Morton, WA, 98356

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Morton Jr/Sr High School

152 Westlake Avenue

P: 360-496-5137 F: 360-496-6035

Morton Intermediate School

152 Westlake Avenue

P: 360-496-5137 F: 360-496-6035

Morton Elementary School

400 Main Avenue

P: 360-496-5143 F: 360-496-0327

Policy: 6550 Capitalization Threshold for Leases and Subscription-Based Information Technology Arrangements (SBITAs)

Section: ☐ 0000 Planning ☐ 1000 Board of Directors ☐ 2000 Instruction ☐ 3000 Students ☐ 4000 Community Relations ☐ 5000 Personnel ☒ 6000 Management

The Morton School District acknowledges that the Governmental Accounting Standards Board (GASB) has issued Statements 87 and 96, covering Leases and Subscription-Based Information Technology Arrangements (SBITAs). Within the guidelines of these Statements, the district may establish a liability threshold for reporting either a lease or a SBITA that is considered de minimis when compared to the district's financial capacity. These leases or SBITAs must have a maximum possible term of greater than one year to be included.

For this policy, the following definitions are used under the Statements referenced above:

1. A lease is a contract that conveys control of the right to use another entity's nonfinancial asset for the time specified in the contract for an exchange or exchange-like transaction.
2. A subscription-based information technology arrangement (SBITA) is a contract that conveys the right to use another entity's software, alone or in combination with tangible capital assets, for the time specified in the contract for an exchange or exchange-like transaction. Software that is insignificant to the cost of the underlying asset is excluded.

The value of leases or SBITAs under this policy will be determined using the methodology outlined in the original Statements and current accepted industry practice. Each lease or SBITA will be considered individually.

For capitalization purposes, those leases or SBITAs with a value that equals or exceeds \$350,000 and has a maximum possible term in excess of one year will be capitalized and recorded as a liability on the district's financial statements under the Statements referenced above. Any lease or SBITA that does not meet this threshold or has a maximum term of less than one year will not be reported as a liability on the district's financial statements.

Legal References: GASB Statement No. 87, Leases, Issued 06/17
GASB Statement No. 96, Subscription-Based Information Technology Arrangements, Issued 05/20

Adoption Date:

Classification: Encouraged

Revised Dates:

The Morton School District does not discriminate in any programs or activities on the basis of sex, race, creed, religion, color, national origin, age, veteran or military status, sexual orientation, gender expression or identity, disability, or the use of a trained dog guide or service animal and provides equal access to the Boy Scouts and other designated youth groups. The following employees have been designated to handle questions and complaints of alleged discrimination: Jenna Haselwood, P.O. Box 1219, Morton, WA 98356; (360) 496-5137 (Title IX); Tami Muth, P.O. Box 1219, Morton, WA 98356; (360) 496-5143 (ADA Coordinator/Compliance Coordinator for 28A.640 and 28A.642); Becky Brooks, P.O. Box 1219, Morton, WA 98356; (360) 496-5137 (Section 504); Jenna Haselwood, P.O. Box 1219, Morton, WA 98356; (360) 496-5137 (Harassment, Intimidation and Bullying Compliance Officer)

