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**PUBLIC INSTRUCTION**  
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## 2024–25 School District Accounting Manual Addendum #1 – (250117 Gov Delivery)

Good afternoon,

The purpose of this GovDelivery notice is to advise school districts of an addendum to the Accounting Manual for Public School Districts in the State of Washington (Accounting Manual). The effective date of this addendum is September 2024, and the changes are applicable to the school district fiscal year beginning September 1, 2024.

### 2024–25 SCHOOL DISTRICT ACCOUNTING MANUAL ADDENDUM #1

**In Chapter 3, on Page 3-17:**

The chapter section titled ***Warrants*** is revised. HB 1419—2023-24, modified the duties of the County Treasurers, impacting local governments. Pursuant to RCW 28A.510.270, the county treasurer for each county in Washington State is designated as ex officio treasurer of the school districts located in his/her county. New procedures described in RCW 39.29.010 are incorporated into the chapter section and noted here.

### Warrants

In addition to other duties, the county treasurer:

- Affixes the date of redemption on the face of warrants.
- May, in cases where there are insufficient funds for the redemption of warrants issued by the school district, contract with the school district for a mutually agreed upon period of time, to cover such insufficient funds prior to the issuance of said warrants.
- In each instance, the school district shall not issue additional warrants against funds where a contract is in place with the county treasurer without first contacting the county treasurer and, if necessary, renegotiating a contract to cover such additional funding as may be mutually agreed to (RCW 36.29.010(d)).
- Endorses “interest-bearing warrant” on the face of such warrants, pays out the interest on interest-bearing warrants, enters the interest paid out in the warrant register, and makes warrant calls when there are funds to redeem such warrants (RCW 36.29.010 through 36.29.020).

**In Chapter 3, on Page 3-18:**

The chapter section titled ***Warrant Cancellation and Unclaimed Property*** is revised. The original references to Chapter 63.29 RCW have been superseded and the new law is Chapter 63.30 RCW. Minor edits to the narrative guidance were also made.

## Warrant Cancellation and Unclaimed Property

Warrants outstanding after one year should be canceled by passage of a resolution of the school board, and the records shall be as if the warrants were never issued (RCW 39.56.040). Even though the records shall be as if the warrants were never issued, school districts remain liable to pay the person or entity subsequently establishing its ownership of this property (RCW 63.30.270).

Unclaimed Property is money or intangible property owed to an individual or business. Many types of transactions may result in unclaimed property. Examples include uncashed warrants for vendors, parent refunds, employee travel and expense reimbursements, and lunch deposits on account.

Property is considered unclaimed after it is held for a period of time with no owner contact, and a good faith effort has been made to locate the owner. For items over \$75, written notices must be sent to payees with valid addresses between May 1 and August 1 informing them that there is unclaimed money being held for them. Because school districts must complete an Affidavit of Lost or Destroyed Warrant before reissuing a lost warrant, the district may wish to include the partially completed affidavit with the due diligence letter. The district should keep records of all due diligence letters sent and any responses received. If the district does not get a response, the warrant should be canceled, and the amount considered unclaimed property.

*Abandoned deposits on account* must be paid or delivered to the Department of Revenue in accordance with their guidelines. School districts are required to report unclaimed property to the Department of Revenue before November 1st each year. The report must identify the property and owner in the manner provided in statute (RCW 63.30.220 through 63.30.260). Although reporting is mandatory, school districts have *the option of remitting unclaimed warrants* to the Department of Revenue *or retaining it* at the school district (RCW 63.30.270).

There are two acceptable methods for handling unclaimed property. The first method when canceling the warrant is to record the cancellation of the warrant as a reduction of the original expenditure and maintain a separate schedule for unclaimed property (RCW 63.30.270). An alternative practice when canceling the warrant is to record a liability; subsequently clearing the liability when the amount is remitted to a claimant. Journal entry examples are found in Chapter 7.

**In Chapter 4, on various page:**

There is a minor edit to General Ledger Account Codes 345, 620, and 755 to reference “ASB” as an applicable Fund. The reference was inadvertently omitted and now corrected. This synchronizes the GL Account Code guidance with the General Ledger Account Matrix, by Fund.

**345\*▲ Leases Receivable**

- Applicable Fund: (GF, **ASB**, CPF, TVF, PF, PPTF)

**620\*▲ Leases Payable—Current**

- Applicable Fund: (GF, **ASB**, CPF, TVF, PF, PPTF)

**755\*▲ Unavailable Revenue—Leases**

- Applicable Fund: (GF, **ASB**, CPF, TVF, PF, PPTF)

## Modification to Uniform Guidance §200.439—Equipment and other Capital Expenditures

**In multiple Accounting Manual Chapters:**

The capitalization threshold in the Uniform Guidance ([§200.439](#)) has changed from \$5,000 to \$10,000 for assets acquired on or after October 1, 2024. Edits to the Accounting Manual guidance is described here.

**In Chapter 3, Page 3-29:**

### CAPITAL ASSETS

The capitalization policy of the district defines the dollar limits at which assets will be entered into the capital asset records. The policy should also consider treatment of leases; cost accumulation on self-constructed assets; control of small attractive assets that are not capitalized; and accounting for any infrastructure such as roadways, utility lines, etc. District personnel should be trained on the appropriate application of the capitalization policy to each acquired or disposed of tangible asset. Asset purchased with federal funds costing **\$10,000** ~~\$5,000~~ or more must be capitalized.

**In Chapter 6, Page 6-64:**

### Object 5XXX Supplies, Instructional Resources, and Non-capitalized Items

Object Title Code 5 is used to record amounts paid for items that are consumed, worn out, or deteriorated through use; or items that lose their identity through fabrication or incorporation into different or more complex units or substances. Supplies, instructional resources, and non-capitalized items are reported in the 56XX object code level to align with NCES object codes for supplies.

Non-capitalized items recorded here are items of equipment that are not reported under Object 9 Capital Outlay. The items must have a useful life of less than one year or have an acquisition cost that is less than **\$10,000** ~~\$5,000~~ or the minimum capitalization value established by the school district. Refer to the district's capital assets policy for the criteria for distinguishing between a supply item and an equipment item. Items that contribute to a district's capital assets must be coded as equipment items in the 97XX object code series.

**In Chapter 6, Page 6-81:**

### Object 9XXX Capital Outlay

Object Title Code 9 is used to record expenditures for capitalized equipment and improvements to buildings and grounds infrastructure. While real property and buildings are included in the list of NCES Object Codes described below, related expenditures shall be included in the Capital Projects Fund according to RCW 28A.320.330 (2).

Equipment is defined as a nonexpendable, tangible item of personal property having a useful life of more than one year and an acquisition cost which is the lesser of the capitalization policy established by the school district or **\$10,000** ~~\$5,000~~. Included are those items composed of component items (individually not meeting the capitalization amount, but in total meets the capitalization amount).

**In Chapter 9, Page 9-10:**

### Equipment

Equipment means tangible nonexpendable property, including exempt property, charged directly to the award having a useful life of more than one year and an acquisition cost of **\$10,000** ~~\$5,000~~ or more per unit. However, lower limits may be established in a district's policy.

**In Chapter 9, Page 9-11:**

The rules for disposing of equipment purchased with federal money are as follows:

- If the per-unit market price of the equipment is less than **\$10,000** ~~\$5,000~~, it may be retained, sold or otherwise disposed of without any further obligation to the awarding agency.
- If the per-unit market price of the equipment is greater than **\$10,000** ~~\$5,000~~, it may be retained by the district or sold. In these cases, the district will need to remit to the

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awarding agency an amount equal to the federal share of the original cost of the equipment.

**In Chapter 10, Page 10-18:**

Capitalize equipment is defined as:

- A useful life of more than one year and a per-unit acquisition cost which equals or exceeds the lesser of the capitalization level established by the district; or **\$10,000** ~~\$5,000~~; (CFR §200.439.)

For questions regarding this GovDelivery notice, please reach out to Paul Stone at [paul.stone@k12.wa.us](mailto:paul.stone@k12.wa.us).