

## CAPITAL ASSETS ACCOUNTING

The Board of Education designates the School Business Official with the responsibility for the oversight of capital assets in accordance with the provisions that are contained in this policy.

All capital assets will be recorded at cost, which includes all necessary costs incurred to place the asset in service. Donated capital assets will be recorded at fair market value at the time received. If determining historical cost is not practical, estimated historical cost may be used.

Fixed assets having an estimated useful life of at least two years following the date of acquisition will be capitalized. Capitalization thresholds will be applied to individual fixed assets rather than groups of fixed assets. The threshold to be used for the categories of fixed assets is as follows:

|                            | <b><u>District<br/>Inventory<br/>Purposes</u></b> | <b><u>Financial<br/>Reporting<br/>Purposes</u></b> |
|----------------------------|---|--|
| Land Improvements          | \$ 10,000   | \$ 25,000  |
| Buildings and improvements | \$ 10,000   | \$ 50,000  |
| Furniture and equipment    | \$ 2,500  | \$ 2,500   |
| <b>Intangibles</b>         | <b>\$100,000</b>                                  | <b>\$100,000</b>                                   |

All assets will be depreciated using the straight-line method. Residual value will be considered.

Useful lives will be determined in the year of purchase based on general guidelines obtained from professional organizations, and the asset's present condition. Depreciation expense will be calculated beginning in the year of acquisition.

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 2<sup>nd</sup> Reading: 10/06/2010  
 1<sup>st</sup> Reading: 09/01/2010  
 2<sup>nd</sup> Reading: 08/14/2002  
 1<sup>st</sup> Reading: 07/09/2002