LEVELLAND INDEPENDENT SCHOOL DISTRICT
BOARD OF EDUCATION

Date: 11/18/2026 Presented By: Teresa Montemayor

Subject: Capitalization Policy Update Related Page(s) _____

ACTION

BACKGROUND INFORMATION

The Texas Education Agency (TEA) updated the Financial Accountability System Resource Guide (FASRG), Version 20, increasing the capitalization threshold for fixed assets from $5,000 to $10,000. This change is reflected in Module 1, Section 1.2.4.3, Capitalization of Assets, and was announced in TEA's August 13, 2026, To the Administrator Addressed letter.

ADMINISTRATIVE CONSIDERATION

Increasing the capitalization threshold to $10,000 will align the district's policy with the updated TEA threshold and simplify fixed asset accounting. This change will not impact the district's fund-level financial statements.

RECOMMENDATION

BOARD ACTION REQUIRED

Approval/Disapproval