



San Elizario ISD
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MEMORANDUM

To: Members of the Board of Trustees
From: Elizabeth Perez – Chief Financial Officer
Subject: Consider and possible Board action to approve revised policy CFB (LOCAL)
Date: April 8, 2026

HISTORY: Policy CFB (LOCAL) governs the District’s capitalization threshold. The District has an established capitalization threshold of \$5,000 for classifying individual capital assets in alignment with prior guidance under generally accepted accounting principles (GAAP) and the Texas Education Agency’s Financial Accountability System Resource Guide (FASRG). Over time, inflation, rising equipment costs, and evolving governmental accounting practices have prompted guidance updates to reassess and adjust thresholds to ensure efficient and meaningful financial reporting.

The policy has been reviewed and updated to reflect federal and TEA guidance.

RATIONALE: Policy CFB (LOCAL) Increasing the capitalization threshold from \$5,000 to \$10,000 allows the District to better align with current school business practices and improve operational efficiency by reducing the administrative burden associated with tracking and depreciating lower-cost items. This change ensures that financial reporting remains focused on assets that are material in value, thereby enhancing clarity and usefulness of financial statements. Additionally, maintaining flexibility for the Superintendent to establish thresholds for groups of assets ensures that items which may be immaterial individually but significant in the aggregate are still appropriately accounted for. This approach supports compliance with GAAP, the TEA FASRG, and applicable federal requirements, while promoting responsible stewardship and accurate reporting of District resources.

BUDGET IMPACT: There is no anticipated budget impact associated with this update.

ADMINISTRATIVE RECOMMENDATION: Administration recommends that the Board of Trustees approve the revised Policy CFB (LOCAL) for implementation in the 2025–2026 school year.

For Approval? Yes No

If no, please check one: Presentation Report Information

Please check if applicable: Attachment Included

The mission of the San Elizario Independent School District is to graduate students with innovative skills for 21st-century careers by focusing on academic and social skills, fostering transformative practices, and building community support through positive relationships between home and school.