

POLICY 2130

Capitalization

A. Reason for Tracking Assets

1. It is essential that complete and accurate records of all equipment and other assets be maintained. Major purposes of fixed assets accounting include:

Financial Accounting & Reporting
Physical Control
Maintenance
Surplus Property Management
Lease Management

Purchase
Planning & Budgeting
Risk Management
Grant Management

2. This Capitalization Policy provides the necessary guidelines to determine which items are to be capitalized and thus become a part of the fixed assets accounting program.

B. Capital Purchases

1. All purchases of equipment and other assets of more than \$1,000 must be purchased through the district purchase order system for procurement protocol management. Purchases made using district funds over \$~~10,000~~~~2,500~~ will be captured for inventory and capitalization purposes. All requests for capital purchases over \$~~10,000~~~~2,500~~ that will be made with school or donated funds should include a check with the requisition.
2. All gifts of equipment or other physical assets must be donated through the District Foundation. This ensures that the donor will receive proper tax credit. The District will, to the extent possible, honor the requests of donors for initial distribution in the District. The District reserves the right to place donated gifts in the location where the item will best serve the students of the District overall.

C. Capitalized Assets

1. All assets, with a purchase price of \$~~10,000~~~~2,500~~ or more, will be capitalized. The Business Office will maintain appropriate records of these assets. All other assets will be inventoried and controlled at the building level.

D. Depreciation

1. In accordance with the [Governmental Accounting Standards Board Statement Number 34](#), property and equipment with a historic cost of \$105,000 or more will be depreciated. Depreciable life for these assets will be reported according to the following schedule:

Asset Type	Years
Buildings	40
Building Improvements	20
Portable Classrooms	20
Parking Lots/Fencing	20
Buses	10
Athletic Equipment	10
Food Service Equipment	10
Musical Instruments	10
Lab/Vocational Equipment	10
Shop Equipment	10
Vehicles	8
Grounds Equipment	5
Audio Visual Electronics	5
Computer Equipment	5

For a more detailed listing refer to the Fixed Assets Section of the Accounting Procedures Manual.