

COLCHESTER SCHOOL DISTRICT

POLICY: CAPITALIZATION OF ASSETS

DATE ADOPTED: September 5, 2017

PURPOSE

In accordance with 2 Code of Federal Regulation 200.33 – Equipment, the district will have a policy setting the School District’s equipment purchase threshold. This policy has related and required equipment procedures.

I. POLICY STATEMENT

In order to provide for the proper control and conservation of the School District’s property as well as proper accounting for financial reporting purposes, the Superintendent, or their designee, shall maintain a schedule of capitalized assets reported in conjunction with the District’s annual audit.

Capitalization of assets, inclusive of computing devices, equipment, general purpose equipment, information technology systems, special purpose equipment and supplies, occurs when all of the following criteria are met:

- A.** The asset is tangible and complete. Construction in progress is capitalized but not depreciated until the construction is completed.
- B.** The asset is used in the operation of the School District’s activities.
- C.** The asset has a value and useful life at the date of acquisition that meets or exceeds the following:
 - 1.** \$2,500 for individual items and \$10,000 for an asset group and one year of useful life;
 - 2.** All buildings and land must be reported regardless of value and useful life at the time of acquisition.

Assets acquired through donation will be recorded at their estimated fair market value on the date of donation and capitalized according to the criteria above.

Annual depreciation will be charged in equal amounts over the estimated useful lives of all capital assets. The assets’ estimated useful life will be assigned by management in accordance with Generally Accepted Accounting Principles (GAAP) and Governmental Accounting Standards Board (GASB) rulings.

Legal Reference(s): 2 Code of Federal Regulation 200.33 - Equipment

Date Warned: August 11, 2017
 First Reading: August 15, 2017
 Second Reading: September 5, 2017