

# POLICY

2008

5515

1 of 2

Non-Instructional/Business  
Operations

## SUBJECT: CAPITAL ASSETS ACCOUNTING – GASB 34

The District defines capital assets as non-consumable assets with a normal service life of more than two years. In order to provide for the proper control and conservation of district property, the Superintendent or designee shall maintain Inventory Records and account for Capital Expenditures in accordance with the following guidelines:

### Inventory Records:

- All equipment items costing in excess of \$1,500 shall be inventoried.
- All equipment costing less than \$1,500 shall be inventoried for accountability purposes if requested by the responsible program administrator.
- All non-equipment capital assets costing in excess of \$15,000 shall be inventoried.

### Capital Expenditure Accounting:

- 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 fixed assets is \$1,500.

Note: Property inventory requirements and capitalization thresholds are different subjects that are commonly confused because of their overlapping terminology.

- An inventory is an itemized list for tracking and controlling property.
- Capitalization is an accounting treatment whereby an item is recorded as a long-term asset on the balance sheet rather than as a consumable expense of the current period.

The following information must be maintained on the equipment/fixed asset inventory:

- Name and description of property
- Location of equipment
- Serial number and other identification number
- Cost of the asset at acquisition
- Acquisition date

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2 of 2

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Donated items will be capitalized at a fair-market value on the date of the donation.

Some assets individually may fall below the capitalization threshold but may be purchased in large quantities by the district, examples include library books, textbooks, and computers. The district may choose to capitalize these assets as groups.

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 asset's present condition. Depreciation expense will be calculated beginning in the year of acquisition.

Adopted: 6/16/1999

Amended: 12/21/2005

Amended: 10/15/2008