

**SERIES 600
FISCAL MANAGEMENT**

683.1

CAPITALIZATION AND DEPRECIATION

The Board of Education recognizes the need to establish a capitalization and depreciation policy to safeguard assets, enhance accountability and provide for accurate and uniform financial reporting. The District will comply with Generally Accepted Accounting Principles (GAAP) and Government Account Standards Board (GASB) 34.

1. All fixed asset purchases in excess of \$5,000 for items that have a useful life of more than one year will be capitalized.
2. Certain categories of assets costing less than \$5,000 but greater than \$1,000 will be inventoried and tracked, although not in the general ledger. These items will not be depreciated.
3. In accordance with GAAP, assets will be depreciated, using the straight-line method, over their estimated useful lives.
 - a. Computer Equipment 3 years
 - b. Vehicles 5 years
 - c. Other equipment 5-10 years
 - d. Site improvements 20 years
 - e. Buildings 50 years
 - f. Subsequent building modernization 50 years
4. For depreciation purposes only the salvage value of assets is estimated to be immaterial. Therefore, assets will be depreciated at 100% of cost.
5. When applicable, the “half-year” convention will be utilized whereby one-half of depreciation is recorded in the fiscal year of acquisition and the fiscal year of disposition.

Legal References:

Cross References:

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