

CAPITALIZATION AND DEPRECIATION

No. 683.1

(A) 7/1/14

This capitalization and depreciation policy is established to safeguard assets, enhance accountability and provide for more accurate and uniform financial reporting in compliance with accounting principles generally accepted in the United State of America (GAAP) and GASB 34.

- A. All fixed asset purchases in excess of \$5,000.00 for items that have a useful life of more than one (1) year shall be capitalized.
- B. Certain categories of assets costing less than \$5,000.00 shall be inventoried and tracked, although not in the general ledger. These items will not be depreciated.
- C. In accordance with GAAP, assets must be depreciated over their estimated useful lives.
 - 1. Computer Equipment 5 years
 - 2. Vehicles and Buses 8 years
 - 3. Other Equipment 5-15 years
 - 4. Site Improvements 20 years
 - 5. Buildings 50 years
 - 6. Subsequent Modernization to Buildings 10 years
- D. For depreciation purposes only, the salvage value of assets is estimated to be immaterial. Therefore, assets will be depreciated at 100% of the cost.
- E. The "half-year" convention will be utilized whereby one-half (1/2) of depreciation is recorded in the fiscal year of acquisition and the fiscal year of disposition.
- F. Straight-line depreciation will be calculated for all depreciable property.