



## **7.8 ASSET CAPITALIZATION POLICY**

### **I. PURPOSE**

The purpose of this policy is to provide guidance for the capitalization of asset purchases.

### **II. GENERAL STATEMENT OF POLICY**

It is the policy of this school that a fixed asset accounting system and an inventory of fixed assets be developed and maintained in accordance with the capitalization threshold defined below.

### **III. MANAGEMENT OF THE CAPITAL ASSETS LISTING**

The executive director or such other school official as designated by the executive director or the school board shall be responsible for the development and maintenance of an inventory of the fixed assets of the school, and for the establishment and maintenance of a formal capitalization policy. The accounting for the assets shall be maintained in compliance with the applicable provisions of the Uniform Financial Accounting and Reporting Standards for Minnesota School Districts (UFARS).

### **IV. CAPITAL ASSETS**

The School will capitalize assets that are purchased as either a singular or group of assets in excess of \$5,000. Assets to be capitalized include, but are not limited to:

- Computer/Technology Equipment
- Furniture
- Curriculum with useful lives in excess of 5 years
- Leasehold improvements

Assets will be depreciated over the estimated useful lives ranging from 5 years to 30 years (or over the life of the facility lease).