

**Washington South Supervisory Union
Northfield and Roxbury School Districts**

CAPITALIZATION OF ASSETS PROCEDURE

Effective: December 12, 2012

All new and existing capital assets valued within existing policy limits must be capitalized.

Capital assets are property owned by the district and include computer equipment, software, and peripherals; equipment such as vehicles, machinery, copiers, and office equipment; building and land; and infrastructure such as access roads parking lots, rights of way, and culverts.

General capital assets should be capitalized and recorded when all the following criteria are met:

- 1) The asset is tangible and complete
- 2) The asset is used in the operation of the district's activities.
- 3) The asset has a value and useful life at the date of acquisition that meets or exceeds the following:
 - \$5,000- value and one year of life for software, equipment, and capital improvements.
 - \$50,000 and three years of life for infrastructure and infrastructure improvements.
 - All building and land must be reported regardless of value and useful life at date of acquisition.

All general capital assets must be recorded at either historical cost or estimated historical cost. Assets acquired through donation will be recorded at their estimated fair market value on the date of donation. In addition to purchase price or construction cost, capitalizable costs may include incidental costs such as bond interest and insurance costs, insurance during transit, freight, title search, and installation.

Straight-line depreciation method will be used.