

ASSET CAPITALIZATION POLICY

This policy establishes District guidelines regarding the proper recording of fixed assets purchased by the District. These guidelines are derived from, and intended to fully comply with the *Statewide Accounting Policies Manual, Volume IX, Fixed Assets and Depreciation, Section III-1*, as published by New York State Office of the State Comptroller.

Asset Capitalization Objectives

This policy is intended to govern and facilitate the proper classification, valuation, maintenance of records, and disposition of all asset purchases made by the District.

Criteria for Recording General Fixed Assets

The District will capitalize General Fixed Assets based on the following criteria:

- The asset is tangible in nature, complete in itself, and is not a component part of another item.
- The asset is used in the operation of the District's activities.
- The asset has a useful life of two years or more and provides a reasonable benefit throughout that period.
- The individual asset is of significant value (the District will use the following guidelines).
 - All Land
 - All Buildings
 - Machinery and/or Equipment – over \$5,000
 - Office Furniture and/or Equipment – over \$5,000
 - Improvements and Renovations – over \$5,000

Those items not meeting the above criteria should not be recorded in the Fixed Assets Account Group. For major construction projects, the \$5,000 capitalization limit should apply to the total capital expenditure rather than the individual assets.

Recording General Fixed Assets

District assets will be recorded pursuant with *Statewide Accounting Policies Manual, Volume IX, Fixed Assets and Depreciation, Section III-1*, as published by New York State Office of the State Comptroller.

Maintenance of Records

District assets will be tracked and maintained pursuant with *Statewide Accounting Policies Manual, Volume IX, Fixed Assets and Depreciation, Section III-1*, as published by New York State Office of the State Comptroller. The District will utilize the software product, *Depreciation Works*, as its District Wide Asset and Depreciation tracking system.