

Kimberly School District

FINANCIAL MANAGEMENT 7510

Capitalization Policy for Fixed Assets

A fixed asset is a property that meets all of the following requirements.

1. Must be tangible in nature.
2. Must have a useful life of at least 24 months.
3. Must be of significant value.

Fixed assets may be acquired through donation, purchase or may be self-constructed. The asset value for donations will be the fair market value at the time of the donation. The asset value, when purchased, will be the initial cost plus the trade-in value of any old asset given up, plus all costs related to placing the asset into operation. The cost of self-constructed assets will include both the materials used and the cost of labor involved in the construction of the asset.

The following significant values will be used for different classes of assets:

Classes of Fixed Asset Significant Value

Equipment and machinery \$5000.00 or more
Buildings - Improvements \$5000.00 or more
Improvements other than buildings \$5000.00 or more
Land, any amount.

Cross Reference: 7500 Property Records

Policy History:

Adopted on: September 16, 2004

Revised on: