

UINTAH SCHOOL DISTRICT POLICY ACTION REVIEW

1st Reading	6/16/21	New	
2nd Reading	6/16/21	Revised	
Approved	6/16/21	Substitute	X
Effective	7/1/21		

004.0201 CAPITALIZATION POLICY

SUBSTITUTES SECTION 9.3 OF POLICY 004.0200 PURCHASING POLICY

The purpose of this policy is to define capital assets and establish capitalization thresholds for certain purchases made by the Uintah School District. Government accounting standards (GASB 34) require school districts to capitalize and depreciate certain property over the useful life of the property.

The Uintah School District Board of Education will ensure accurate financial reporting in accordance with applicable accounting standards.

1.0 CAPITAL & FIXED ASSETS

- 1.1. **Capital assets** are purchased or constructed assets with a useful life greater than one year and a cost equal or greater than the thresholds listed in the table below. Capital assets, which include both depreciable and non-depreciable assets, are reported in the government-wide and the internal service fund financial statements. Non-depreciable assets include land, water stock, and construction in progress. Depreciable assets include buildings, building improvements, equipment, furniture, software, and vehicles. Purchased or constructed capital assets are reported at cost or estimated historical cost. Donated capital assets are recorded at estimated acquisition value at the date of donation. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend the asset's useful life are not capitalized. Major outlays for buildings and improvements are capitalized as construction in progress until they are completed and placed in service. The capitalization threshold and useful life are as follows:

Asset Category	Threshold	Useful Life
Land	\$0	NA
Land Improvements	\$25,000	10-50
Buildings	\$50,000	10-50
Building Improvements	\$50,000	10-50
Software	\$50,000	5-10
Computer Equipment	\$5,000	5
Furniture	\$5,000	5-20
Equipment	\$5,000	5-20
Vehicles	\$5,000	8

- 1.2. **Fixed assets** are items, non-consumable, purchased or constructed with a useful life of one year or longer and with an individual cost below the Capital Asset table referenced in 1.1.

2.0 TRACKING

- 2.1. All capital asset property shall be tagged and tracked using the District asset tracking system. Inventories of capital assets will be completed in accordance with District procedures.
- 2.2. Fixed assets with a high risk of loss or theft will be tagged and tracked using District asset tracking system. Inventories of fixed assets will be completed in accordance with District procedure. Not all fixed assets will be tagged and tracked. Tracking and tagging of fixed assets will be at the discretion of the Business Administrator or department manager with custody of the asset.

2.2.1 When an employee leaves employment, or a student withdraws, a review of all fixed assets assigned to them will be completed to ensure all fixed assets are returned.

3.0 DISPOSAL

- 3.1. Tagged capital and fixed assets tracked in the District tracking system must have an Asset Disposal Form signed and approved by the Business Administrator before the item can be disposed of or put on the Surplus Website.