



MANDATORY POLICY

CATEGORY:	Non-Instructional Operations
TOPIC:	Capital Assets
EFFECTIVE:	06/19/2015
CROSS-REFERENCE:	2 CFR 200.33
REVISION DATE:	
RESPONSIBILITY:	Executive Director of Finance

INTENT STATEMENT:

This policy is intended to fulfill the requirements of 2 CFR 200.33.

POLICY:

A schedule of capital assets is maintained to provide control of District property and proper accounting for financial reporting. Capital assets are property owned by the District and may include computers, computer equipment, software, and peripherals; equipment such as vehicles, machinery, copiers and office equipment; buildings and land; improvements to buildings; infrastructure such as parking lots, playgrounds, and rights of way.

Capitalization

Capitalization for the purpose of this section occurs when all of the following criteria are met:

1. The asset is tangible and complete (construction in progress is not capitalized until construction is complete);
2. The asset is used in operation of the district's activities;
3. The asset has a value and useful life at the end of acquisition that meets or exceeds the following:
 - a. a value of \$5,000 and one year of life for vehicles, equipment and capital improvements.
 - b. a value of \$5,000 and one year of life for a single information technology equipment item.
 - c. a value of \$50,000 and fifteen years of life for infrastructure and infrastructure improvements.
 - d. all buildings and land must be reported regardless of value and useful life at date of acquisition.

Assets acquired through donation will be recorded at their estimated fair market value on the date of donation and capitalized according to the criteria above. In addition to purchase price or construction cost, the incidental

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costs, such as the following, may be capitalized: bond interest and insurance costs, insurance during transit, freight, duties, title search, title registration, installation and breaking-in costs.

Depreciation

Annual depreciation will be charged in equal amounts over the estimated useful lives of all capital assets. The assets' estimated useful lives will be assigned by the Business Office in accordance with Generally Accepted Accounting Principles (GAAP). In accordance with Governmental Accounting Standards Board Rule #34, depreciation will be allocated to the applicable function codes. The straight-line method of depreciation shall be used.

Disposition of Assets

The superintendent or his/her designee are the only District personnel authorized to dispose of capital assets that have become surplus, unserviceable, or obsolete. Capital assets subject to the Equipment Disposal policy should be reported to the Superintendent. The awarding agency (e.g., Agency of Education) shall be contacted for instruction prior to disposing of a capital asset purchased with federal funds.

SUPPORTING DOCUMENTS: