Sherburne Elementary School

Capitalization of Assets

It is the policy of the Sherburne Elementary School that all new and existing capital assets, valued within existing policy limits, be capitalized.

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

1. The asset is tangible and compete;
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 exceed the following:
    - $5,000 value and two years of life for software, equipment, and capital improvements.
    - $50,000 value and three years of life for infrastructure and infrastructure improvements.
    - All buildings 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. 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 issuance costs, insurance during transit, freight, duties, title search, title registration, installation, and breaking-in costs.

The straight-line depreciation method will be used.

Definitions:
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; and infrastructure such as access roads, parking lots, rights of way and culverts.

Date Adopted: October 14, 2003
Clerk: Diane Miller