



FIXED ASSET CAPITALIZATION GOVERNANCE COUNCIL POLICY #2011.1

PURPOSE AND SCOPE

The purpose of this Policy is to establish standard procedures for capitalizing fixed assets to facilitate the identification, reporting and safeguarding of School assets in compliance with generally accepted financial reporting requirements.

ASSET VALUE

Capital assets are valued at their historical cost. In the absence of historical cost information, the asset's estimated historical cost will be used. Donated assets are reported at fair market value on the date the asset is donated.

CAPITALIZATION THRESHOLD

The School will capitalize all individual assets with a cost of \$5,000 or more and that have an estimated useful life of one year or more.

Certain individual assets under \$5,000 (but with a useful life of over one year) purchased simultaneously and used in an integrated manner (classroom furniture, networked computers, etc) may be deemed "system assets" and treated as a single asset purchase for capitalization purposes.

DEPRECIATION METHOD

Capitalized assets are depreciated using the straight line method.

ESTIMATED USEFUL LIVES

The following guidelines from the 2011 California School Accounting Manual are used in setting estimated useful lives for asset reporting:



Golden Eagle Charter School
Table of Estimated Useful Lives

ASSET CLASS	EXAMPLES	YEARS
Land		N/A
Site Improvements	Paving, flagpoles, retaining walls, sidewalks, fencing, outdoor lighting	20
School Buildings		50
Portable Classrooms		25
HVAC Systems	Heating, ventilation, and air conditioning systems	20
Roofing		20
Interior Construction		25
Carpet Replacement		7
Electrical / Plumbing		30
Sprinkler / Fire System	Fire-suppression systems	25
Outdoor Equipment	Playground, radio towers, fuel tanks, pumps	20
Machinery and Tools	Shop and maintenance equipment, tools	15
Kitchen Equipment	Appliances	15
Custodial Equipment	Floor scrubbers, vacuums, other	15
Science and Engineering	Lab equipment, scientific apparatus	10
Furniture and Accessories	Classroom and office furniture	20
Business Machines	Fax, duplicating, and printing equipment	10
Copiers		5
Communications Equipment	Mobile, portable radios, noncomputerized	10
Computer Hardware	PC's, printers, network hardware	5
Computer Software	Instructional, other short-term	5 to 10
Computer Software	Administrative or long-term	10 to 20
Audiovisual Equipment	Projectors, cameras (still and digital)	10
Athletic Equipment	Gymnastics, football, weight machines, wrestling mats	10
Musical Instruments	Pianos, string, brass, percussion	10
Library Books	Collections	5 to 7
Licensed Vehicles	Buses, other on-road vehicles	8
Contractors' Equipment	Major off-road vehicles, front-end loaders, large tractors, mobile air compressor	10
Grounds Equipment	Mowers, tractors, attachments	15

The above table is provided as general guidance regarding reasonable estimated useful lives. In estimating an asset's useful life, the School should consider the asset's present condition, use of the asset, construction type, maintenance policy, and other local variables that may result in useful life differing from the above guidelines.

First Reading: December 8, 2011

Golden Eagle Charter School
Policy Adopted: February 9, 2012