

AMHERST, MONT VERNON, SOUHEGAN, and SAU39 POLICY

DID - FIXED ASSETS (Inventories)

The Superintendent will designate the person responsible for managing capital assets and maintaining the fixed assets inventory. In accounting for capital assets, Business Administrator will implement the standards required by Statement 34 of the Governmental Accounting Standards Board.

Capital assets are real or personal property that have a value equal to or greater than the capitalization threshold of the particular classification of asset, and have an estimated useful life of greater than five years. Fixed assets are additional material items purchased or obtained that have a value less than the capitalization threshold for capital assets but are material to the inventory.

Capital Assets include: Land, Land Improvements (not depreciable), Land Improvements (depreciable), Infrastructure, Construction in Progress, Buildings and Building Improvements, Vehicles, Furniture, and Equipment & Machinery.

Fixed Assets include: Technology equipment (computers, printers), and Custodial equipment (scrubbers, buffers).

All assets, or at least a representative sampling, including those that are reported on a composite basis, must be evaluated annually to reflect either an increase or decrease in total value.

CAPITALIZATION THRESHOLD

For financial reporting purposes, capitalization thresholds are set at \$20,000 per item, or for like-kind (aggregate) purchases, for all classes except Infrastructure assets, which are capitalized and depreciated if over \$100,000 per item.

ESTIMATED USEFUL LIFE THRESHOLD

For financial reporting purposes, an asset must have an estimated useful life greater than five years to be considered for capitalization and depreciation.

ACQUISITION OF ASSETS

Assets may be acquired through donation, purchase, or may be 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 asset value of constructed assets will include all costs of construction.

Revised: November 15, 2021

Revised: December 17, 2020

Revised: October 5, 2017

Adopted: August 17, 1992 (Souhegan)