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3 **FINANCIAL MANAGEMENT**

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5 Capitalization Policy for Fixed Assets

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7 A fixed asset is a property that meets all the following requirements:

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- 9 1. Must be tangible in nature;
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- 11 2. Must have a useful life of longer than the current fiscal year; and
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- 13 3. Must be of significant value.
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15 Fixed assets may be acquired through donation, purchase, or may be self-constructed. The  
16 asset value for a donation will be the fair market value at the time of donation. The asset value  
17 for purchases will be the initial cost plus the trade-in value of any old asset given up, plus all  
18 costs related to placing the asset into operation. The cost of self-constructed assets will include  
19 both the cost of materials used and the cost of labor involved in construction of the asset.

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21 The following significant values will be used for different classes of assets:

<u>Class of Fixed Asset</u>	<u>Significant Value</u>
Equipment and machinery	\$10,000.00 or more
Buildings – improvements	\$10,000.00 or more
Improvements other than buildings	\$10,000.00 or more
Land	Any amount

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35 Cross Reference:       7500   Property Records

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37 Policy History:

38 Adopted on:   2/25/08

39 Reviewed on:

40 Revised on:   1/10/18