

BARRE SUPERVISORY UNION
BARRE CITY ELEMENTARY AND MIDDLE SCHOOL DISTRICT
BARRE TOWN MIDDLE AND ELEMENTARY SCHOOL DISTRICT
SPAULDING UHS #41 AND BARRE TECHNICAL CENTER

CODE: DJ

1st Reading: May 8, 2014

2nd Reading: June 12, 2014

CAPITALIZATION POLICY

Purpose

To establish a formal policy for the accounting of the capital assets of the District(s) in accordance with IRS regulations.

Policy

The Barre Supervisory Union Business Manager shall maintain an inventory of the capital assets of the District(s). Addition and disposition of capital assets shall be recorded on a continual basis. The Business Manager shall determine appropriate criteria and procedures to implement this policy.

Reporting

The Business Manager shall provide a current capital assets inventory to the District(s) auditors on an annual basis.

Definitions

Capitalization - Barre Supervisory Union and its member school districts will capitalize all assets that have both an individual purchase price or production value of \$5,000 or more, and an expected useful life of more than one year.

Capitalization method and procedure - All Capital Assets will be recorded at historical cost as of the date acquired. If historical cost is not applicable, as would be the case with donated items, the capital asset will be recorded at fair market value.

Recordkeeping - Invoices substantiating an acquisition cost of each unit of property, appraisal documents (or documentation showing how fair market was determined) and documentation of disposition will be kept for the life of the asset.

Depreciation - Barre Supervisory Union and its member schools will depreciate (write off / expense) the value of the asset over its useful life (which is more than one year). Barre Supervisory Union will utilize the straight-line, full-month method for depreciation.