

Valuation of Contributed Capital Assets

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Purpose: This policy explains how Lakes International Language Academy (the “School”) determines fair value of contributed capital assets, including collections.

I. Definition of Capital Asset

- a. Capital assets and their thresholds are defined in Policy 108 *Fixed Assets*.
- b. Capital assets include items belonging to a collection, such as musical instruments, a set of furniture, library items or media equipment.

II. Valuation of Capital Assets

- a. The School will use a product (like it’s Deductible in TurboTax) which lists commonly donated items and assigns them a value. Donated items will be checked against this list. Alternatively, the school may determine value based on retail values of similar used or new items.
- b. If the School owns an item similar to the one(s) donated, it will assign a similar value.
- c. Age and condition of the donated item(s) will be considered.
- d. If a value can’t be assigned using the above methods, the School will assign a value of 50% of retail for used items, and retail value for new items.

III. Tracking Capital Assets

- a. The donated item(s) will be tracked in the school’s inventory, as defined in Policy 108 *Fixed Assets*.
 - i. If it is part of a collection, then it will be tracked similarly to other items in the collection.
 - ii. Library items will be assigned a barcode and be tracked using library software. Computer equipment will be assigned a barcode and be tracked in the technology database.
 - iii. If a barcode cannot be affixed to the item because of its shape, texture or some other reason, a photo of the item and its identifying features will be taken and put on file with inventory documents.
- b. The School will follow the inventory schedule as defined in Policy 108 *Fixed Assets*.

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