

Lewistown School District

FINANCIAL MANAGEMENT

7510

Capitalization Policy for Fixed Assets

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

1. Must be tangible in nature.
2. Must have a useful life of longer than the current fiscal year.
3. Must be of significant value.

Fixed assets may be acquired through donation, purchase, or may be self-constructed. The asset value for donations will be the fair market value at the time of 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 cost of self-constructed assets will include both the materials used and the cost of labor involved in the construction of the asset.

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	\$5,000.00 or more
Buildings - Improvements	\$5,000.00 or more
Improvements other than buildings	\$5,000.00 or more
Land	Any amount

Cross Reference: 7500 Property Records

Policy History:

Adopted on: June 28, 2004

Revised on: