

BP 3440.1 FIXED ASSETS CAPITALIZATION

The School Board recognizes the need to establish appropriate capitalization thresholds for its fixed assets to properly account for both the financial and economic resources of the district. The Superintendent or designee shall periodically review the capitalization threshold with the district's auditors to ensure compliance with federal and state mandates and recommendations. The capitalization threshold should be set at a level that will capture approximately 80% of all fixed assets.

The School Board sets the capitalization amount at \$5,000 for purposes of capitalization of fixed assets. An asset is to have a purchase cost of \$5,000 or more and a useful life of at least two years following the date of acquisition to be treated as a capitalized asset.

Assets that fall below the capitalization threshold may still be significant for insurance, warranty service and obsolescence/replacement tracking purposes. Assets more than \$500 but less than \$5,000 will be kept on a fixed asset inventory but will not be considered capitalized assets.

(cf. 3400 - Management of District/Assets/Accounts) (cf. 3440 - Inventories)

Legal Reference:

ALASKA STATUTES

14.11.011 Grant Applications

14.11.017 School Construction Grant Conditions

14.14.050 Annual Audit

ALASKA ADMINISTRATIVE CODE

4 AAC 06.120 Accounting and audit manuals, charts of accounts, code descriptions

4 AAC 51.300 Vocational facilities and equipment

Added 2/06

9/92

Adopted: 2/21/2023