

1 **Charlo Public School District**

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3 **FINANCIAL MANAGEMENT**

7510

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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 asset
16 value for a donation will be the fair market value at the time of donation. The asset value for
17 purchases will be the initial cost plus the trade-in value of any old asset given up, plus all costs
18 related to placing the asset into operation. The cost of self-constructed assets will include both
19 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:

22

| <u>Class of Fixed Asset</u> | <u>Significant Value</u> |
|--------------------------------------|--------------------------|
| Equipment and machinery | \$5000.00 or more |
| Buildings - Improvements | \$5000.00 or more |
| Improvements other than to buildings | \$5000.00 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:

39 Revised on: