

ALMOND-BANCROFT SCHOOL DISTRICT
Administrative Rules

683-Rule

ASSET MANAGEMENT (CAPITALIZATION AND DEPRECIATION)
GUIDELINES

1. All fixed asset purchases in excess of \$1,000 for items that have a useful life of more than one year shall be capitalized.
2. Certain categories of assets costing less than \$1,000 shall be inventoried and tracked, although not in the general ledger. These items will not be depreciated.
3. In accordance with GAAP, assets must be depreciated over their estimated useful lives.
 - a. Computer Equipment 3 years
 - b. Vehicles and Buses 5 years
 - c. Other Equipment 5 years
 - d. Site Improvements 10 years
 - e. Buildings 27.5 years
 - f. Subsequent Modernization to Buildings 10 years
4. For depreciation purposes only, the salvage value of assets is estimated to be immaterial. Therefore, assets will be depreciated at 100% of cost.
5. The "half-year" convention will be utilized whereby one-half of depreciation is recorded in the fiscal year of acquisition and the fiscal year of disposition.
6. Straight-line depreciation will be calculated for all depreciable property.

APPROVED: 3/16/04

REVISED: 12/19/07