

301: Asset Capitalization Policy

- I. Purpose:
 - A. The following policy outlines the requirements and monetary thresholds for capital assets. This policy works in conjunction with applicable state and federal regulations along with the State of Delaware Office of Management and Budget (OMB) policies. The Bryan Allen Stevenson School of Excellence (BASSE), Board of Directors establishes the following Fixed Asset Capitalization Policy.
- II. Definitions:
 - A. The definitions listed below are practical definitions used by BASSE. Refer to the State of Delaware for the codified definitions.
 - 1. Capital Assets: Tangible or intangible assets of significant value with an estimated life of greater than one (1) year. This may include land and land improvements, buildings and building improvements, vehicles, furniture, equipment, easements, infrastructure, and computer software.
 - 2. Equipment: Non-expendable and tangible property that stands alone with a useful life of more than one (1) year.
- III. Policy Statement:
 - A. BASSE will capitalize the following items in accordance with State of Delaware guidelines:
 - 1. A Capital Asset, per the definition above, which has a per unit or collective purchase cost of \$5,000 or greater and an estimated life of more than one (1) year.
 - 2. Purchase of land and buildings.
 - 3. Building improvements or maintenance that meet the State of Delaware capitalization guidelines.
 - B. Capitalized assets will be depreciated in accordance with State of Delaware guidelines.
- IV. Responsibility:
 - A. It is the responsibility of the Head of School to ensure the proper execution of asset capitalization.
 - B. All staff members must follow these guidelines when purchasing, using or inventorying any applicable items.

Related Policies:

- A. xxx

Related Procedures and Documents:

- A. State of Delaware Office of Management and Budget – Budget and Accounting Policy:
<https://budget.delaware.gov/accounting-manual/documents/budget-accounting-manual.pdf?ver=1201>

Approval:

Revision Dates:

Draft