Subject: Fixed Assets and Capitalization
Effective Date: TBD Until Board Approval
Approved By: Board of Directors
Policy: 4004.1

PURPOSE AND SCOPE

The purpose of this Policy is to establish standard procedures for capitalizing fixed assets to facilitate the identification, reporting and safeguarding of VSCS assets in compliance with generally accepted financial reporting requirements.

ASSET VALUE

Capital assets are valued at their historical cost. In the absence of historical cost information, the asset's estimated historical cost will be used. Donated assets are reported at fair market value on the date the asset is donated.

CAPITALIZATION THRESHOLD

The School will capitalize all individual assets with a cost of $5,000 or more and that have an estimated useful life of 3 years or more.

GROUPED OR NETWORKED ASSETS

IT/Technology equipment acquisition and leasehold facility improvements are considered "system assets" that operate as part of a network system (in the case of IT) or as part of an aggregate installation (in the case of leasehold improvements). Such IT acquisition and leasehold improvement costs are capitalized at costs of $2,000 or more. A network is determined to be where individual components may be below normal capitalization thresholds but are interdependent and the overriding value to the School is on the entire network/facility and not the individual component assets.

DEPRECIATION METHOD

Capitalized assets are depreciated using the straight line method.

ESTIMATED USEFUL LIVES

The following guidelines are used in setting estimated useful lives for asset reporting:

Leasehold Improvements 10-20 years

Vehicles 5-10 years

IT/Technology Equipment 3-5 years