

<b>DESCRIPTOR TERM:</b>  <b>Fiscal Management</b>	<b>Millard District Policy</b> <b>File Code: 2110</b>  <b>Approved: 04-08-21</b>
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## CAPITALIZATION

### **A. Purpose**

It is essential that complete and accurate records of all equipment and other assets be maintained. Major purposes of Fixed Assets Accounting include:

- Financial Accounting
- Planning & Budgeting
- Surplus Property Management
- Lease Management
- Purchase
- Maintenance
- Grant Management
- Physical Control
- Risk Management

This Capitalization Policy provides the necessary guidelines to determine which items are to be capitalized and thus become a part of the Fixed Assets Accounting Program.

### **B. Capital Purchases**

All Purchases of equipment and other assets, which are to be capitalized according to provisions of this policy, must be handled through the District Purchase Order system. Purchases made using district funds automatically use this system. Purchases from school funds or donated funds shall use the following procedures.

1. A check to cover the purchase cost shall be brought to the District Office and deposited with the District.
2. The District Purchasing Clerk will prepare a District Purchase Order.
3. The Purchase Order will be given to the School Principal, who may then secure the item to be purchased.

All gifts of equipment or other physical assets must be donated through the District Foundation. This insures that the donor will receive proper tax credit. The donor may specify where the gift is to be placed. The Executive Secretary of the District Foundation will be responsible for coordinating with the District Purchasing Clerk to insure that the donated item is placed on the Computer Inventory List.

### **C. Capitalized Assets**

All assets, with a purchase price of \$5,000.00 or more per item, and other high-risk items as determined by the Business Administrator, will be capitalized and required records maintained by the district. All other assets will be inventoried and controlled by individual school principals.