

Rochester STEM Academy Fixed Assets Policy

This policy establishes the minimum cost value (capitalization amount) that shall be used to determine the capital assets, including infrastructure assets, which are to be recorded in Rochester STEM Academy's annual financial statements in order to comply with the requirements of GASB Statement No. 34.

This policy also addresses other considerations for recording and depreciating fixed assets for the compliance with the provisions of GASB Statement No. 34.

Capital asset definition

Capital assets will be defined as tangible and intangible assets that have initial estimated useful lives that extend beyond a single reporting period.

Capitalization method

All capital assets will be recorded at historical cost as of the date acquired or constructed, or fair market value at date of gift if donated. If historical cost information is not available, assets will be recorded, at estimated historical cost by calculating current replacement cost and deflating the cost using the appropriate price-level index.

Capitalization thresholds

The District establishes the following minimum capitalization thresholds for capitalizing fixed assets:

Land and improvements	\$500
Buildings and improvements	\$500
Machinery/equipment/vehicles	\$500

Detailed records shall be maintained for all fixed assets above the established thresholds.

Other assets

Detailed records shall be maintained at the discretion of school administration for all items below the capitalization thresholds that should be safeguarded from loss. These items will be part of the annual physical inventory discussed below. These items include furniture and computer equipment that fall below the established thresholds and any other assets specified by school administration.

Depreciation and useful life

School administration will assign an estimated useful life to all assets for the purposes of recording depreciation. Asset lives will be adjusted as necessary depending on the present condition and use of the asset and based on how long the asset is expected to meet current service demands. Adjustments should be properly documented. Depreciation will be recorded based on the straight line method using actual month convention and depreciated down to the assets salvage value.

Safeguarding and controlling fixed assets

All machinery and equipment, vehicles and furniture will be identified with a fixed asset tag. As fixed assets are purchased or disposed of, school administration or the responsible authority will be responsible for preparing proper supporting documentation, which will then be forwarded to the School's business office to ensure proper recording into a software system. A physical inventory will be taken annually on or about June 30 and compared to the physical inventory records. The results will be forwarded to the School's business office where appropriate adjustments will be made to the fixed asset records system.