

ARTS ACADEMY ELEMENTARY CHARTER SCHOOL

Board Policy

CATEGORY: Fiscal

POLICY NUMBER: 213

TITLE: Capitalization for Governmental Accounting Standards Board (GASB) Statement 34

ADOPTED: September 27, 2018

REVISED:

	<p>Purpose:</p> <p>The Board recognizes the need to implement the required accounting and financial reporting standards stipulated by the Pennsylvania Department of Education.</p> <p>The primary objectives of implementing the GASB Statement 34 are to assure compliance with state requirements, and properly account for both the financial and economic resources of the school.</p> <p>Authority:</p> <p>Participation of the school in any such activity shall be in accordance with Board policy.</p> <p>Delegation of Responsibility:</p> <p>The Board delegates to the Business Manager, in cooperation with the school's independent auditor, the responsibility to coordinate the compilation and preparation of all information necessary to implement this policy in accordance with the school's administrative procedures.</p> <p>Guidelines Capitalized Assets:</p> <p>A capitalized asset shall be any asset acquired by donation or purchase that has a useful life of longer than one (1) year, or extends the life of another capitalized asset, or increases its value and meets specific dollar threshold. At administration's discretion, and in conjunction with the school's auditor, capital assets purchased with long-term debt may be capitalized regardless of the specific dollar threshold for the type or class of asset required.</p>
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	<p>Capitalization for GASB Statement 34</p> <p>Value of Assets:</p> <p>All capitalized assets shall be recorded at historical cost at acquisition date or estimated cost if acquired prior to the date of initial inventory. Any donated capital asset shall be recorded at the date of donation using the fair market value of the item at that date.</p> <p>Depreciation:</p> <p>The straight-line method of depreciation shall be used and the depreciation will be based estimated useful life of each depreciable asset or group of assets. Periodically, administration shall evaluate the estimated useful life of each depreciable asset to determine if revision of such estimate is required.</p> <p>Dollar Threshold:</p> <p>A dollar threshold for each asset shall be no less than \$1,000.00. Administration should periodically review this level with assistance from the school's independent auditor, to determine the appropriateness of the established level.</p> <p>Useful Life:</p> <p>Administration should periodically review the useful life with assistance from the school's independent auditor, to determine the appropriateness of the established useful life.</p>
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