

MAINE SCHOOL ADMINISTRATIVE DISTRICT #53
Burnham – Detroit – Pittsfield

Asset Capitalization

In order to comply with Governmental Accounting Standards Board Statement 34, the M.S.A.D. #53 School Board directs the Superintendent to establish procedures for keeping an inventory of fixed assets owned by M.S.A.D. #53.

Assets which meet the following minimum standards, will be considered capital assets:

- Having a value of \$5,000 or more. This requirement can be for an individual item in excess of \$5,000 or for a “collection” such as a telephone system or computer network system.
- Having an estimated useful life of two or more years.
- Major asset categories will be buildings and improvements, land and improvements, machinery and equipment, furniture and fixtures, and vehicles.

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

New acquisitions that meet M.S.A.D. #53 criteria as capital assets shall be noted by the Principal and Business Manager for inclusion in the asset base. Additions, improvements, repairs, or replacements to existing capital assets are considered extraordinary repairs and improvements. Extraordinary repairs and improvements that increase future benefits from an existing capital asset beyond its previously assessed standard or performance will be capitalized.

The District will capitalize the following items as collections:

- Computers
- Furniture and Fixtures
- Art Works and Historical Treasures
- Telephone Systems
- Musical Instruments
- Library Books
- Any other assets bought in a bulk purchase that meets the capitalization policy as stated above.

Legal Reference: Governmental Accounting Standards Board Statement 34

Adopted: February 3, 2003