

Policy on Fixed Asset Inventory Threshold

PURPOSE

The purpose of this policy is to establish the capitalization threshold for fixed assets to ensure consistent financial reporting, compliance with Federal accounting guidelines and efficiency in managing inventory.

POLICY

For inventory control purposes, a capital item is defined as follows:

Capital assets are recorded at historical cost and include land, buildings and building improvements, furniture and equipment \$5,000.00 and over. This is the fixed asset threshold and will apply to any capital asset that has a useful life greater than two (2) years.

At the time a fixed asset is acquired, its cost (purchase price as well as costs to acquire, install, secure, and prepare the item for use) is capitalized and amortized using the straight-line method over the useful life of the asset class.

An asset's useful life is the period of time over which services are expected to be rendered by the asset. Below is the estimated useful life as follows for each asset class:

Buildings & Improvements	45
Computer Equipment	3
Construction Tractors	10
Culinary Equipment	10
Drainage Systems	50
Exterior Electrical Distribution System	45
Exterior Lightning	20
Furniture and Fixtures	10
Greenhouses	15
HVAC Units	20
Lab Equipment	7
Land Improvements	20
Landscaping	20
Maintenance Equipment	7
Media Equipment	6
Medical Equipment	6
Musical Instruments	10
Office Equipment	5
Other Instructional Equipment	7
Passenger Cars/Vans/Trucks, Mowers and Golf Carts	5
Photography Equipment	6
Printing Equipment	11
Roads	30
Sidewalks and Exterior Stairways	30
Signage	20
Software	3
Telecommunications Equipment	3