

Standish-Sterling Community Schools
Standish, Michigan 48658

TITLE: Capitalization/Depreciation Policy/Procedure

PURPOSE: Standish Sterling Community Schools will capitalize all assets that have a value, individually, of \$5,000 or more and a useful life of more than one year. Exceptions to this policy may occur, depending upon specific grant accounting restrictions. Sales or disposal of assets must be approved by the Business Specialist.

SCOPE: Finance Department

COMPLIANCE: Business Specialist

PRECAUTIONS: None

DEFINITIONS: None

PROCEDURE:

- When individual assets are acquired that have a value of \$5,000 or more, they will be capitalized.
- Capitalization periods are determined in accordance with Generally Accepted Accounting Principles.
- The Straight-Line Depreciation Method will be used to depreciate assets.
- A fixed asset list with depreciation adjustments made as part of the year end close out will be maintained.

This policy is effective January 14, 2019

PRC: DJAC-1