

SCHUYLKILL VALLEY SCHOOL DISTRICT

Administrative Capitalization Procedures

<u>Class of Asset</u>	<u>Useful Life</u>	<u>Dollar Threshold for Each Asset</u>	<u>Dollar Threshold by Group</u>
Depreciable Capital Assets			
Depreciable capital assets are non-consumable material purchases with a life expectancy of greater than one year. Depreciable individual large items or groups of like assets. The actual useful life will be based upon the specific utilization. Items will be grouped by year of acquisition.			
1. School Vehicles – under 10 passengers	8 years	over \$5,000	not applicable
2. Buildings	50 years	over \$25,000	not applicable
Where possible, the structure shell should be segregated from the mechanical, roofing, electrical plumbing, cafeteria and built-ins. (These components may be replaced several times during the life of the structure shell. Segregation of these costs will ease accountability for replacing or improving the component parts and avoid pyramiding the asset valuation.)			
3. Land Improvements	20 years	over \$25,000	not applicable
Original or additional installation; land attachments with limited lives; fencing; retaining walls; irrigation systems; athletic courts, fields, and tracks; private use sewer facilities and water lines; area lighting; drives and parking lots, sidewalks, curbs and gutters that are incidental to a school's property or access to the property.			
4. Building Improvements			
HVAC Systems	20 years	over \$25,000	not applicable
Roofing	20 years	over \$25,000	not applicable
Interior Construction	25 years	over \$25,000	not applicable
Carpet Replacement	7 years	over \$5,000	not applicable
5. Portable Classrooms	25 years	over \$10,000	not applicable
6. Leasehold Improvements	20 years	over \$25,000	not applicable
7. Collections/Works of Art/ Historical Treasures	10 years	over \$10,000	not applicable

8. Technology Group	5 years	over \$2,500 each	over \$10,000
System purchase (pc's printers, drives, network hardware); replacement of component parts such as a keyboard/mouse/cable are not to be considered equipment.			
9. Technology Group (software)	5 years	over \$2,500 each	over \$10,000
10. Audio Visual Equipment	10 years	over \$2,500 each	over \$10,000
11. Athletic Equipment	10 years	over \$2,500 each	over \$10,000
12. Sprinkler/Fire System	25 years	over \$2,500 each	not applicable
13. Communication Equipment (Mobile and portable radios)	10 years	over \$2,500 each	not applicable
14. Musical Instruments	10 years	over \$2,500 each	over \$10,000
15. Library Books	10 years	over \$2,500 each	over \$10,000
16. Maintenance and Grounds Equipment	15 years	over \$2,500 each	over \$10,000
17. Outdoor Equipment (Playground, radio towers, fuel tanks)	20 years	over \$2,500 each	over \$10,000
18. Kitchen Equipment – Appliances	15 years	over \$1,000 each	over \$5,000
19. Science & Engineering (Lab Equipment)	10 years	over \$1,000 each	over \$5,000
20. Furniture and Fixtures	20 years	over \$2,500 each	over \$10,000
Non-Depreciable Capital Assets			
1. Land	not applicable	over \$500	not applicable

2. Land Improvements (costs incurred to ready land for its intended use that does not lose its value, i.e, excavation, fill, grading, landscaping)	not applicable	over \$1,000	not applicable
3. Construction-in-Progress	not applicable	over \$25,000	not applicable
4. Easements	not applicable	over \$1,000	over \$5,000
5. Rights of Way	not applicable	over \$1,000	over \$5,000

Infrastructure Assets

Infrastructure assets are long-lived capital assets that normally can be preserved for a significantly greater number of years than most capital assets. Infrastructure assets are normally stationary in nature such as roads and bridges. Buildings, except those that are an ancillary part of a network of infrastructure assets, should not be considered infrastructure assets. Other examples of non-infrastructure assets that are incidental to a school's property include: fencing, retaining walls, irrigation systems, athletic courts, fields and tracks, private use sewer facilities and water lines, area lighting, drives, parking lots, sidewalks, curbs and gutters.

The determination of major infrastructure assets should be at the network or subsystem level and should be based on these criteria:

1. The cost or estimated cost of the subsystem is expected to be at least 5% of the total cost of all general capital assets reported in the first fiscal year ending after June 15, 1999.
2. The cost or estimated cost of the network is expected to be at least 10% of the total cost of all general capital assets reported in the first fiscal year ending after June 15, 1999.

Reporting of non-major networks is encouraged but not required.

Salvage Value

In setting up the inventory, records of capitalized assets, management should consider, with the local auditor, the use of salvage value on those capitalized assets that have a resale value at the end of their useful life.