

policy

**BOARD OF EDUCATION
SCHOOL DISTRICT OF THE CITY OF ROYAL OAK**

**BUSINESS
5022/Page 1 of 1**

CAPITAL ASSET POLICY

In compliance with the provisions of the Governmental Accounting Standards Board Statement 34, the Board of Education of the School District of the City of Royal Oak shall maintain a fixed asset management policy. The fixed asset management system shall maintain sufficient information to permit the preparation of year-end financial statements in accordance with Generally Accepted Accounting Principles, to comply with Federal requirements for fixed assets purchased with federal funds and to provide the basis for adequate insurance coverage.

Fixed assets are defined as those tangible assets with a useful life in excess of one (1) year and an initial historical cost equal to or exceeding five thousand dollars (\$5,000). Fixed assets are classified as follows:

- Land
- Buildings and Building Improvements
- Buses, vehicles and equipment

Depreciable assets will utilize the straight-line method over the following useful lives:

- | | |
|--------------------------------------|---------------|
| ➤ Building and Building Improvements | 20 – 40 years |
| ➤ Buses, vehicles and equipment | 7 – 10 years |

The Superintendent or designee shall develop administrative procedures to ensure compliance with this policy.

04/26/07