

# Great Oaks Academy

## CAPITAL ASSETS CAPITALIZATION POLICY

### I. PURPOSE

The purpose of this policy is to ensure proper financial reporting for capital assets. This policy outlines the steps involved in the process in determining which expenditures would be considered to be a capital expenditure that would be considered a capital asset.

### II. GENERAL REQUIREMENTS

The School considers any expenditure, which are capital in nature, with an individual initial cost of more than \$5,000, and an estimated useful life in excess of one year, to be a capitalized asset. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. Capital assets are depreciated using the straight-line method over the following estimated useful lives:

- Equipment -10-30 years
- Computers- 5 years
- Leasehold improvements 10-50 years
- Other improvements 10-20 years