

Finance and Operations

Fixed Asset Policy

Fixed Assets include such items as land, buildings, equipment and fixtures that are tangible in nature with a useful life of greater than three (3) years and satisfies the threshold test. PCSI distinguishes between inventory assets such as furniture and equipment and capitalized assets such as infrastructure and improvements to the facilities that are not mobile. The threshold for inventory assets is \$1,000. If an inventory asset consists of several components, whose combined cost is at or over \$1,000 then it will be regarded and recorded as a single item. The threshold for capitalized improvements (including labor, equipment and materials) is \$10,000.

All acquired fixed assets will be assigned and labeled by the Principal with an asset number and recorded on a ledger with the purchase date, the total cost (including shipping, taxes and other related costs), vendor, useful life, brand/model, quantity (if the assets consists of several items), and location of the item.

Straight-line depreciation will be used in depreciation of the fixed assets. If an asset is placed in service on or before the 15th of the month, that month is included in the depreciation calculation.

The following useful life criteria will be used in depreciation;

Buildings	30 years
Improvements	3 to 10 years
Heavy Duty Office or Classroom Furniture	5 to 10 years
Computers and Other Electronic Equipment	3 to 5 years
Vehicles	3 to 10 years

A fixed asset can be discarded upon completing its useful lifetime, theft or damage. A report will be filed, if an asset is discarded because of theft or damage. In addition, a disposal report will be filed for disposal of fully depreciated assets.

Adopted: 7/24/12