

# Pope John Paul II High School

## Fixed Assets Policy/Procedure

Property and equipment includes items such as:

1. Office furniture and equipment
2. Computer hardware
3. Computer software
4. Leasehold improvements
5. Textbooks

It is the organization's policy to capitalize all items which have a useful life greater than one year and have a unit cost greater than five hundred (\$500). Items purchased with a value or cost less than five hundred dollars (\$500) will be expensed in the period purchased.

Fixed asset purchases, costing \$500 to \$4,999.99 will be approved in advance by the Principal. Fixed asset purchases \$5,000 and over must be approved by the Finance committee of the Board of Directors either during the annual budget process or before purchase if not budgeted.

The depreciation period for capitalized assets is as follows:

Computer Hardware	60 months
Office Equipment	84 months
Office Furniture	60 months
Computer Software	36 months
Leasehold improvements	up to 39 years
Textbooks	36 months
Science Lab Equipment	60 months
Other Equipment	84 months

1. A Fixed Asset Log is maintained by the Bookkeeper including date of purchase, date placed in service, asset description, purchase/donation information, cost/fair market value, donor/funding source, identification number, useful life of asset, position or department who has custodial responsibility.
2. The Log will be reviewed by the Principal annually.
3. Annually, the Principal and Bookkeeper will conduct a physical inspection and inventory will be taken of all fixed assets and reconciled to the general ledger balances.
4. The Principal shall be informed in writing of any change in status or condition of any property or equipment.
5. Depreciation is recorded at least annually. Depreciation is computed using the straight-line method over the estimated useful lives of the related assets. Any

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impaired assets discovered during the inventory will be written down to their actual value.

6. The Principal is responsible for approving the disposal of any property, including donation of property to other entities. If the value of the property to be disposed \$5,000 or greater, the Principal is to request approval from the Treasurer and Finance Committee.