

SCHREINER UNIVERSITY CAPITALIZATION POLICY

Purpose

This document outlines the Capitalization Policy used for financial accounting purposes of assets for Schreiner University.

Scope

This policy is a University policy. The VPPF and Controller are responsible for the oversight of this policy.

Policy

This policy applies to buildings, land, land improvements, machinery, equipment, furniture, fixtures, library books, computer servers, vehicles, computer equipment and software used in the operation of Schreiner University. Those assets not used in the operation of the University are treated as investments rather than capital assets.

- Assets are capitalized and depreciated if they meet the minimum threshold of \$5,000.00 value and a useful life of one year or greater.
- Assets are stated at cost or fair value at the date of purchase or donation and are depreciated using the straight-line method.
- Capital asset categories at Schreiner University are indicated below along with the applicable depreciable lives:

Buildings	45 years
Land Improvements	20 years
Machinery and equipment	7 years
Furniture and fixtures, Library Books	7 years
Computer servers	7 years
Vehicles	4 years
Computer equipment and software	4 years

- One half year's depreciation will be recorded for all capital assets in the first year they are capitalized.
- Depreciation of newly constructed buildings will commence in the year of useful occupancy.
- Leased capital assets are depreciated using the straight-line method over the remaining life of the lease or useful life of the equipment, whichever is shorter.