

Lakeland Community College

POLICY TITLE:	CAPITALIZATION AND DEPRECIATION
POLICY NO:	3354:2-37-17
ORIGINALLY APPROVED DATE:	01/11/96
REVISED DATE:	05/02/25
EFFECTIVE DATE:	05/02/25
NEXT REVIEW DATE:	05/2030
RELATED PROCEDURE:	N/A
RESPONSIBLE OFFICE(S):	VP FOR ADMINISTRATOIVE SERVICES & COLLEGE TREASURER
APPROVED BY:	BOARD OF TRUSTEES

This policy on capitalization and depreciation is attributable to the District's compliance requirements with Governmental Accounting Standards Board (GASB) Statement Nos. 35, 87, and 96.

The District's capital assets include: land, land improvements, infrastructure, buildings, building improvements, construction in progress, equipment, furniture, vehicles, software, library books, and intangible assets.

All capital assets are recorded at historic cost or, if the cost is not readily determined, at estimated historical cost, and updated for additions and reductions during the year. Donated capital assets are recorded at their fair market values as of the date received. The District maintains a \$5,000 capitalization threshold for recognition of fixed, tangible assets into the District's accounting records. The District maintains a \$5,000 capitalization threshold for right-to-use intangible lease assets required under GASB 87 and a \$20,000 capitalization threshold for subscription-based information technology arrangements (SBITA's), required under GASB 96.

Improvements to the District's capital assets are capitalized. The costs of normal maintenance and repairs that do not add to the value of the capital asset or materially extend the capital asset's life are not capitalized.

TANGIBLE ASSETS

All reported tangible capital assets, other than land and construction in progress, are depreciated. Depreciation is computed using the straight-line method over the following useful lives:

Description of Estimated Lives

Land Improvements – 20-30 years

Infrastructure – 20-25 years

Building and Building Improvements – 5-40 years

Equipment, Furniture, and Vehicles – 3-15 years
Software, Library Books, and Other Collections – 3-5 years

INTANGIBLE ASSETS

All reported intangible capital assets are amortized as follows:

Right-to-use lease assets, required under GASB 87. These assets are amortized in a systematic and rational manner over the shorter of the lease term or the useful life of the underlying asset.

Right-to-use subscription assets, required under GASB 96. These assets are amortized in a systematic and rational manner over the shorter of the subscription term or the useful life of the underlying asset.