



# POLICY

Category	Approval		
Series 400: Fiscal Management	Effective	Administration	Board
	2/22/10	12/4/09	2/22/10
	Revised		For Review
	8/26/2024		2028

## **FIXED ASSET CAPITALIZATION**

**MTC 448**

Mitchell Technical College shall annually cause an inventory of personal property to be made and placed on file with the Chief Financial Officer by July 10. Personal property with an original value greater than \$5,000 shall be included in the inventory as required by SDCL 5-24-1.1.

General fixed assets are divided into five main classes: land, buildings, improvements other than buildings, equipment, and construction work in progress. Fixed assets may be marked by a permanent method of identification. Periodic inventories should be taken by personnel designated by the President. Assets acquired with an estimated useful life of three (3) years or longer and an acquisition cost of Five Thousand Dollars (\$5,000) or greater will be capitalized. Building improvements which will extend the useful life of the building and which exceed Twenty-five Thousand Dollars (\$25,000) or ten percent (10%) of the building's depreciable basis will be capitalized.

LEGAL REFS.: SDCL 5-24-1, 5-24-3, ARSD 10:02:01:01

6/27/2016 – Responsible personnel updated to align with MTI's organizational structure.  
 6/8/2020 – Responsible personnel updated to align with MTI's organizational structure. Minimum values required for inventory and capitalization increased to \$5,000 and \$25,000 to align with Department of Legislative Audit guidelines. Outdated legal reference removed.  
 8/26/2024 - Responsible personnel updated to align with MTC's organizational structure.