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In compliance with Governmental Accounting Standards Board (GASB) Statement 35 and direction from the California Community Colleges Chancellor's Office, the District establishes the following accounting guidelines for capital assets:

Capitalization thresholds shall be:

1. For Equipment, purchases of \$5,000 or greater will be capitalized and depreciated. Purchases of \$500 up to \$5,000 will be inventoried but not capitalized.
2. For Buildings, including improvements which extend the useful life, the capitalization threshold will be \$20,000.

The above amounts are within the recommended ranges from the Chancellor's Office.

Useful life guidelines are as follows:

Buildings:	50 years
Land improvements:	20 years
Vehicles:	8 years
Machinery & Equipment:	5-15 years
Technical equipment:	5-15 years

The straight line method of depreciation using the half-year convention shall be used (1/2 year depreciation taken in year of acquisition and disposal).

A physical inventory will be conducted bi-annually in accordance with GASB 35.