

	COLUMBIA IRRIGATION DISTRICT Policy 3.2 “Capital Assets”			APPROVED: <u>Vince Shawver</u> President Board of Directors		
	Effective Date: <u>7 January 2016</u> Revision: <u>No. 0</u>			DATE: <u>7 Jan. 2016</u>		
<i>Revised</i>	<i>Revised</i>	<i>Revised</i>	<i>Revised</i>	<i>Revised</i>	<i>Revised</i>	
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A. Purpose

Capital Asset policies and inventory systems are regulated by state statute and administrative regulations. Capital asset policies made by Columbia Irrigation District (District) will conform to applicable state, local and District regulations.

B. Policy

The District will provide control and accountability over capital assets and maintain information needed for the preparation of financial statements and continued viability of infrastructure for water delivery.

C. Definitions

1. **Buildings** – Permanent structures owned by the District. The cost of buildings includes acquisition costs and capital improvement costs. Does not include furnishings or fixtures.
2. **Capitalization Threshold** – The District sets its capitalization threshold at \$5,000. It includes the cost of installation, freight, and all materials incorporated into the asset.
3. **Capital Assets** – Real and personal property and intangible assets, costing more than the District’s capitalization threshold amount and having a useful life of over five years. Examples of capital assets include land, improvements to land, furnishings and fixtures, buildings, vehicles, machinery, equipment, and pipe, drains, and other components of infrastructure.
4. **Construction in Progress** – A general ledger account that reflects the cost of construction work undertaken on capital projects but not completed as of the end of the accounting period. Construction in Progress may or may not include the cost of labor and benefits.
5. **Infrastructure Assets** – Capital assets that normally are stationary in nature and normally preserved for a significantly greater number of years than most capital assets.
6. **Physical Inventory** is a procedure where the existence of assets on the inventory list is confirmed by physically observing the assets at their location in the field.