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# Butte County Mosquito and Vector Control District

## POLICY MANUAL

**POLICY TITLE:** Fixed-Asset Capitalization  
**POLICY NUMBER:** 3035

**3032.1** The purpose of this policy is to provide criteria for determining when assets and associated costs are to be capitalized and depreciated.

**3032.2** Single-item purchases with at least an anticipated useful life of five years and exceeding \$5,000.00 each shall be capitalized as a fixed asset. The purchase of these fixed assets shall be included on the District’s statement of net assets and depreciated over the asset’s estimated useful life. The purchase of fixed assets for less than \$5,000.00 shall be expensed.

**3032.3** Other expenditures of \$5,000.00 or more that provide a significant increase in future service potential of a fixed asset shall also be capitalized as part of the existing asset.

**3032.3.1** To meet the criteria for a capital expenditure, the purchase should extend the useful life of an asset, increase the quantity of service provided by an asset, or increase the quality of service by an asset.

**3032.3.2** Capital expenditures may include the following: additions (enlargements, expansions or extensions of existing assets), replacements and improvements, and rearrangement and/or relocation of an asset.

**3032.4** Expenditures for normal repairs and maintenance shall not be considered as capital expenditures.

**3032.5** Depreciation will be computed over the estimated useful lives of the assets as follows:

ASSET DEPRECIATION LIFE	
Fixed Asset	Useful Life (years)
General Plant/Structures	30
Vehicles	7-10
Heavy Equipment (normal – light use)	15
Light Equipment (normal – light use)	5
Office Equipment	5
Office Furniture	5
Computer Equipment	5
Aircraft Equipment	5
Aircraft	20
Lab Equipment	5
Shop Equipment	5

**3032.6** Capitalized property is disposed of in accordance with District Operations Policies, Policy 3060.