

HENDERSON COUNTY SCHOOLS

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Dr. Bob Lawson, Superintendent



To: School Board Members

From: Bob Lawson, Superintendent

Date: September 15, 2025

Re: Policy Change for Capitalization

The capitalization threshold—the minimum cost at which an asset is recorded as a capital asset—has been **increased from \$5,000 to \$10,000**. This change aligns with updated federal guidance and aims to reduce administrative burden while maintaining accurate financial reporting. We are asking for this policy change to be approved.

Implications for Districts:

- Assets purchased **on or after July 1, 2025** must meet the new \$10,000 threshold to be capitalized.
- Districts should update their internal asset management policies and accounting systems accordingly to align with federal regulations.

Inventories

EQUIPMENT AND ASSETS

The District shall adhere to the property inventory procedures developed by the Kentucky Department of Education. Principals and other supervisors designated by the Superintendent are accountable for inventory, control and maintenance of all assets and equipment in their area of responsibility.

Each school year, results of inventories shall be reconciled, coordinated and reported to the Superintendent and the Board as required by the Finance Officer.

A complete, up-to-date inventory of the following shall be maintained:

1. Fixed assets (real property) with an acquisition value of ~~\$5~~10,000 or more that has a useful life of more than one (1) year;
2. ALL computer workstations and laptops, regardless of value; and
3. Any additional items designated by the Superintendent/designee.

The Superintendent shall develop procedures and forms for the annual inventory and be responsible for maintaining the inventory.

CAPITAL ASSETS

The District shall refer to the KDE Capital Asset Guide for guidance in establishing capitalization threshold amounts.

TRANSFER AND DISPOSAL

Fixed assets no longer needed or useable shall be returned to a designated central location and transferred or disposed of in compliance with Board policy, District inventory procedures and applicable legal requirements.

CAREER AND TECHNICAL EDUCATION PROGRAM

Inventory management and control for equipment purchased with state funds for use in the career and technical program shall be administered in compliance with applicable legal requirements.¹

REFERENCES:

¹780 KAR 7:060

KRS 160.290

Kentucky Education Technology System

Accounting Procedures for Kentucky School Activity Funds

KDE Capital Asset Guide

RELATED POLICIES:

04.8

05.21