## **2.8 Capital Assets Accounting Policy**

The Board of KC International Academy adopts the following policy which shall be effective on the date that the policy is adopted by the Board.

Section 2.8.1.1. Definition of Capital Asset. A capital asset is an asset that is tangible in nature; has a life that exceeds one year; of significant value ($5,000 per unit or a lower amount designated by the board of directors); and reasonably identified and controlled through a physical inventory system. Examples include: land, buildings, machinery, and furniture.

SECTION 2.8.1.2. Documentation. The Superintendent or designee shall ensure that KC International Academy maintains accurate records of capital assets in accordance with applicable rules.

SECTION 2.8.1.3. Inventory. The Superintendent or designee will ensure that a physical inventory of capital assets takes place once every two years.

SECTION 2.8.1.4. Annual Audit. The annual financial audit required by the Board shall include an exhibit in the audit report identifying all capital assets and the ownership interest of local, state, and federal parties.