



FPP 03/04/2016: Transportation Discussion Item
Capital Threshold: Change from \$1,000 to \$5,000 or Over

1. Question or Issue:

Should FPP recommend that the \$1,000 capital threshold be changed from \$1,000 to \$5,000 in State Board Rules for Transportation?

2. Any Prior FPP Action:

NONE

3. Discussion Points/Department Recommendation or Observations (if any)::

The FPP Transportation Sub-Committee universally agrees that the \$1,000 capital threshold should be changed to \$5,000 or over.

- GASB recommends a capitalization of \$5,000.
- Breaking tools out into capital and non-capital equipment will also allow district to easily utilize the 0730 capital and 0735 non-capital equipment account numbers in the chart of accounts.
- Failure to make this change results in districts having to dig through a year's worth of PO's and individual receipts to determine if the tools on the order were from a single purchase or multiple purchases of smaller amounts.
- This change will ensure continuity among district reporting.

Please note: if this recommendation is brought to the State Board, the earliest effective date for CDE-40 purposes would be for the 2017 CDE-40.

4. FPP Action, Decision Made:

5. Further Action/Research Needed/Table for Future Meeting:

6. Effective Date:

