Hawthorn Academy
Capitalization / Expense Policy
Approval Date: March 10, 2021

The purpose of this policy is to allow for accounting to depreciate rather than expense qualified inventory items.

Items/purchases which total over $10,000.00, and which have a useful life of more than 3 years, shall be depreciated rather than expensed. The period of time items will be depreciated will be based on GAAP (generally accepted accounting practices). All items with a purchase value less than $10,000.00 will be expensed. The following list is not meant to be exhaustive, but rather to show examples of depreciated and non-depreciated purchases.

Items that may be depreciated:

- Office equipment
- Desks, chairs, and office furniture
- Copy machines
- Computers & printers
- Kitchen Equipment

Items that may NOT be depreciated:

- Consumables
- Textbooks
- Work books and instructional aids
- Office supplies
- Replacement or repair parts
- Etc.