

Definition:

Acquired assets with a useful life exceeding one (1) year used in the regular course of operation shall be identified as Capital Assets or Valuable Equipment. This includes all Property, Plant & Equipment (PP&E) and Furniture, Fixtures and Equipment (FF&E).

Capital Assets:

- Tangible and Identifiable
- Acquisition cost greater than \$5,000
- Expected useful life of greater than one (1) year.
- Includes major repairs outside routine maintenance that meet the above three criteria.

Valuable Equipment:

Valuable item is defined as:

- Tangible and Identifiable
- Acquisition costs greater than \$250.00 and less than \$5,000.00.
- Expected useful life of greater than one (1) year.

Example:

- Desktops
- Laptops
- iPads, Tablets
- Audio Visual Equipment
- Furniture
- Others....

Category of Assets for Accounting & Depreciation

- Non depreciable Capital Asset
 - Land & Construction In Progress
- Depreciable Capital Asset
 - Buildings, infrastructure & other improvements
 - PP&E and FF& E (that meets Capital Asset criteria above)
- Non- Depreciable Valuable Equipment (expensed for accounting)
 - FF& E
 - Other acquired assets that do not meet the above criteria.

Recording Keeping

- All Acquired assets should be identified and categorized at time of purchase.
- All Acquired assets should be included in the inventory or property listing.

- An annual physical inventory of both Capital and Valuable Equipment is to be conducted during the month of September each year.
- Non- Depreciable Valuable Equipment will be expensed at time of acquisition.
- Non-Depreciable Valuable Equipment will be accounted for but excluded from annual physical inventory listing.

Physical Inventory Process

- Conducted annually during the month of September prior to year-end financial audits.
- Must include two (2) individuals and inventory tracking sheets (sample attached) for accuracy and record keeping.
- Obsolete, damaged, or missing items to be removed from schedules and expensed as necessary.
- General Ledger will be adjusted to tie to physical count.

Inventory Write-Off:

- Inventory that is obsolete, damaged, or missing will be written off by the end of fiscal year.

Board Approval:

- Board approval is required for the purchase of capital items exceeding \$10,000,
- Board approval is required to dispose of and adjust obsolete, damaged, or missing items exceeding \$10,000.

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