

Fixed Asset Policy

This policy addresses considerations for recording and depreciating fixed asset purchases.

Capital Asset Definition

Capital assets are defined as tangible assets that have initial useful lives that extend beyond a single reporting period. These assets included Land, Buildings, Furniture, Fixtures and Equipment, Leasehold Improvements, Library Owned Vehicles, and Assets in Process.

Capitalization Method

Assets will be booked to their respective asset accounts when the cost of the fixed asset equals \$5,000.00 or more. Items less than \$5,000.00 will be expensed as they are incurred.

Acquisition of Fixed Assets

All purchases of \$5,000 and over must be approved by the Chief Executive Officer & Director or Chief Financial Officer, and the Board of Trustees before purchasing the item.

Depreciation and Useful Life

The Chief Financial Officer will determine an estimated useful life to all assets for the purposes of recording depreciation. An asset is removed from the fixed asset list when the asset is sold or disposed of. Depreciation will be properly documented.

Fixed Asset Administrator

The Chief Financial Officer-appointed Fixed Asset Administrator is responsible for the following duties:

- Filing and updating of general ledger records
- Recording, classifying, and posting fixed asset transactions
- Depreciating fixed assets according to their life classes
- Logging, reviewing, and posting of general journal, reclassification, and adjusting journal entries
- Recommending updates to the fixed assets subsidiary ledger, systems, and manuals
- Submitting internal control recommendations regarding the safeguarding of assets
- Preparing reports as needed
- Other duties as may be considered necessary
- Preparing schedules for various audits
- Participating in the year-end closing process

Supporting Documentation

Detailed records shall be maintained for all fixed assets above the \$5,000.00 threshold for a period of time as deemed adequate by Management.

Approved by the James V. Brown Board of Trustees on October 19, 2023