CAPITALIZATION POLICY

PURPOSE

The Board of Directors of the Port Washington Fire Department recognizes the need to implement a formal capitalization policy. This document outlines the policies related to capital assets deemed necessary by the Board of Directors.

AURHORITY

Board of Directors

REQUIREMENTS

A. Capitalized Assets

A Capitalized asset shall be any asset acquired by donation or purchase that has a useful life of longer than one year or extends the life of another capitalized asset or increases its value and meets a specific dollar threshold. At the Board of Directors' discretion, capital assets purchased with long-term debt may be capitalized regardless of the specific dollar threshold for the type of call of asset acquired.

B. Value of Assets

All capitalized assets shall be recorded at historical cost at acquisition date or estimated cost if acquired prior to the date of initial inquiry. Any donated capital asset shall be recorded at the date of donation using the fair market value of the item at that date.

C. Other Assets

Detail records shall be maintained in-house for all items that should be safeguarded from loss. The Board of Directors shall determine the items that are to be considered as "other assets".

D. Depreciation

Depreciation shall be based on the straight-line method of depreciation over the estimated useful life of each depreciable asset or group of assets. Periodically, management shall evaluate useful life of each depreciable asset to determine if revision of such estimate is required

E. Dollar Threshold

A dollar threshold for each asset shall be set at $1,000. The Board of Directors shall periodically review these levels and make any modifications necessary.

F. Inventory Control

A physical inventory of all capital assets and other assets shall be taken at least once a year. A summary of the results of the physical inventory shall be reported to the Board of Directors.

Port Washington Fire Department

Policy and Procedure Manual

Capitalization Policy

BY RESOLUTION OF THE BOARD OF DIRECTORS

PORT WASHINGON FIRE DEPARTMENT

ADOPTED _____
AND EFFECTIVE IMMEDIATELY