

# FIXED ASSET POLICY

This policy is established to safeguard assets and ensure compliance with Governmental Accounting Standards Board (GASB) Statement No. 34. The purpose of this capital asset policy is to provide control and accountability over capital assets, and to gather and maintain information needed for the preparation of financial statements.

Plymouth District Library purchases short-term and long-term fixed assets. Fixed Assets include land, land improvements, buildings, building improvements, equipment, furniture, physical collection and fixtures that:

1. Have a useful life of more than three years;
2. Are acquired for use in the library's operation; and
3. Are not intended for resale.

## THRESHOLD

The cost of an individual asset item to be capitalized shall exceed \$5,000. Any asset not meeting this threshold shall be expensed in the current period.

## INVENTORY

Department Heads will be responsible for the control of capital assets related to their department. An annual inventory of departmental assets will be reviewed by the Director in December of each year. Asset purchases that fall below the capitalization threshold will not be included in the capital asset inventory.

## ADDITIONS

The acquisition cost of land, buildings, and equipment shall include all reasonable and necessary expenditures to get the item(s) in place and ready for the intended use. This includes, but is not limited to, invoice price, legal fees, installation costs, and freight. All additions shall be recorded in the current period and correctly classified.

Details on approval needed for acquisition of capital assets are detailed in the library's Financial Policy.

## DISPOSALS

No item of property or equipment shall be removed from Library property without approval of the Administration. Furniture and equipment valued at less than \$500 may be donated or sold to another tax-supported library or the Friends of Plymouth District Library to be used for their fundraising purposes. Furniture and equipment valued at more than \$500 will be offered for sale at fair market value to the public.

The Library is not responsible or liable for the condition of any surplus furniture or equipment nor will the Library provide support or maintenance for furniture or equipment purchased by staff or through public auction.

At the time the property is retired, it will be recorded as required by generally accepted accounting principles. When the disposal is via a trade-in of a similar asset, the acquired asset should be recorded at the book value of the trade-in asset plus any additional cash paid. In no instance should such cost exceed the fair market value for the new asset. Fully depreciated assets remain on the fixed asset list with related accumulated depreciation as long as the property is still in use.