

BOLIVAR PENINSULA SPECIAL UTILITY DISTRICT

SUBJECT:
CAPITALIZATION & FIXED ASSETS POLICY

Policy P-02

PURPOSE

To ensure accountability for assets purchased with District funds and grant funds and to provide an accurate value of the assets for both internal reports and the published annual financial report.

SCOPE

This policy applies to all District employees and supercedes any other former District policy, procedure or directive.

POLICY

Fixed Assets are items that have a useful life of more than one year and have a single unit value of greater than \$5,000.00. Fixed assets include land, buildings, infrastructure, equipment, vehicles and other items that meet the definition above. The General Manager will maintain a list of fixed assets. The General Manager shall make additions and deletions to the fixed assets list when items are purchased, sold or salvaged. Employees are required to report to the General Manager any change in status of an asset, including changes in condition, location and deletions.

The fixed asset list will be reviewed and inventoried by the General Manager at least once per year and will be performed at the end of the fiscal year. The General Manager will provide a copy of the end of year list to the financial auditor performing the annual District financial audit. The Board of Directors will review the fixed asset list at least annually.

Assets costing less than \$5,000.00 will be listed in an inventory record maintained by the General Manager. These assets are subject to random audits to ensure accountability and proper maintenance of the items.

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ASSETS POLICY
POLICY P-02**

APPROVED AND EFFECTIVE ON _____, 2002.

President

Secretary

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