

HACSA MEMORANDUM

TO: HACSA Board of Commissioners
FROM: Larry A. Abel, Deputy Director
AGENDA ITEM TITLE: ORDER/In the Matter of Adopting a Revised Capitalization Policy

I. MOTION

IT IS MOVED THAT THE ORDER BE APPROVED ADOPTING A REVISION OF THE AGENCY'S CAPITALIZATION POLICY.

II. ISSUE

Revision of the Agency's Capitalization Policy.

III. DISCUSSION

A. Background/Analysis

A Capitalization Policy determines how equipment and/or other personal property is recorded in the accounting records. HACSA's current policy requires that assets costing \$2,500.00 or more and having an anticipated useful life of more than one year, be recorded as capital expenditures. Our proposed revised policy (see Exhibit A attached) increases this amount to \$5,000.00. The agency's auditor approves of the proposed change. (Lane County's capitalization amount is \$5,000.00).

B. Alternative

The capitalization amount could remain at \$2,500.00.

C. Recommendation

Adoption of the revised capitalization policy is recommended.

IV. IMPLEMENTATION/FOLLOW-UP

After Board approval, the Capitalization Policy will be implemented.

V. ATTACHMENT

Exhibit A. Capitalization policy.

**IN THE BOARD OF COMMISSIONERS OF THE
HOUSING AND COMMUNITY SERVICES AGENCY
OF LANE COUNTY, OREGON**

ORDER NO.

**)In the Matter of Adopting a
)Revised Capitalization Policy**

WHEREAS, the Agency's Capitalization Policy has not been updated since 2002; and

WHEREAS, the Agency desires to update its Capitalization Policy; and

WHEREAS, Board approval is needed to revise the Capitalization Policy;
NOW, THEREFORE, IT IS HEREBY

ORDERED, that the attached Exhibit A., labeled Capitalization Policy for the Housing And Community Services Agency of Lane County, is hereby adopted effective on the date that the Board Order is signed.

DATED this _____ day of _____, 2005.

Chairperson, HACSA Board of Commissioners

APPROVED AS TO FORM
Date 3/25/05 lane county
[Signature]
OFFICE OF LEGAL COUNSEL

In the Matter of Adopting a Revised Capitalization Policy

Exhibit A

Capitalization Policy **for the Housing And Community Services Agency of Lane County**

For the purpose of determining, distinguishing and recording expendable and non-expendable equipment and other personal property acquired in connection with the development, management and maintenance of programs operated by the Housing And Community Services Agency of Lane County, the following criteria are established:

1. If the cost of a piece of equipment or other personal property is \$5,000.00 or more, and its anticipated useful life is more than one year, it shall be recorded as a capital expenditure and charged to Fixed Assets.
2. If the cost of a piece of equipment or other personal property is less than \$5,000.00 or its anticipated useful life is less than one year regardless of cost, it shall be recorded as expendable equipment, and charged to Expense.
3. The Deputy Director is authorized to make a determination upon the purchase of equipment and other personal property that the property is expendable or non-expendable pursuant to the above criteria, and shall document the same and shall retain all such records for the information and guidance of agency personnel and for audit purposes.
4. The Deputy Director is authorized to make determinations, on a case-by-case basis and to maintain inventory records for equipment or other personal property in instances where the dollar value is equal to or more than the amount reflected in the above criteria, or is less than the amount reflected in the above criteria, but where such records would afford more desirable administrative control over the property.