

RESOLUTION NO. 97-12

CAPITALIZATION POLICY OF LaPORTE COUNTY, INDIANA

WHEREAS, equipment (furniture, fixtures, vehicles, operation equipment, etc.) with a life expectancy of three years or more should be capitalized over time; and

WHEREAS, significant expenditures of non-recurring nature should be capitalized; and

WHEREAS, a capitalization versus expense criteria is desirable;

NOW, THEREFORE, BE IT RESOLVED by the Board of Commissioners of LaPorte County, Indiana, as follows:

Section 1: All County departments shall henceforth maintain an inventory list in the Auditor's Office of all equipment with a purchase value of five hundred dollars and 00/100 (\$500.00) or more, and/or an anticipated life of three (3) or more years if:

- a. The equipment is an addition to existing equipment; and/or
- b. The equipment is uniquely identifiable in an asset audit (i.e., by serial number or is one of a kind within the department) or is a new replacement for an existing piece of equipment which has been retired from use by trade-in, disposal or sale.

Section 2: All capitalized equipment shall bear an inventory identification tag issued by the Auditor's Office and affixed to the equipment so long as it is maintained in the department's inventory. Equipment retired shall be removed from the inventory.

Section 3: Within three (3) working days of receipt of any "new to the inventory" equipment, the department head shall add the equipment to the department's inventory list in the Auditor's Office and remove retired equipment from the inventory.

Section 4: Building and structure improvements, regardless of value, shall be capitalized on the building inventory if the expenditure meets any of the following criteria:

- a. It is an addition to the existing building or structure;
- b. It adds permanent value to the total book value of the department; and/or
- c. It prolongs the useful life of the existing structure and is permanent in nature and does not require periodic reoccurrence of the expenditure.

ATTEST:

BOARD OF COMMISSIONERS

Kenneth Layton
KENNETH LAYTON, Auditor
By Judy Cunningham
Deputy Auditor

Clay Turner
CLAY TURNER, President

Richard J. Kruse
RICHARD J. KRUSE, Vice-President

Dated: October 14, 1997

H.J. "Bud" Kintzele Jr.
H.J. "BUD" KINTZELE, Member