

WENHAM HOUSING AUTHORITY
EQUIPMENT CAPITALIZATION AND DEPRECIATION POLICY
REVISED 4/14/2016 BOARD MEETING

The Wenham Housing Authority Equipment Capitalization and Depreciation will be in conformity with Generally Accepted Accounting principles (GAAP).

Equipment having a useful life of more than one year and an acquisition cost of \$5,000.00 or more per unit, will be capitalized.

The Authority will establish a custodial inventory system for all stove and refrigerator purchases. In addition the Authority will establish a custodial inventory listing, by program, for all equipment purchases between \$1,000 and \$4,999.99. The items in the custodial inventory system will NOT BE capitalized. The intent of the custodial inventory will be to track and monitor non-capitalized equipment.

The Authority shall maintain an equipment record system; tag items and a physical inventory will be taken at least once every two years. The physical inventory will be reconciled to the equipment record system and the general ledger. The Authority will use appropriate controls to safeguard the equipment.

This policy shall be effective for all the Authority Programs, starting with the fiscal year ending FY 2016 and all fiscal years thereafter.